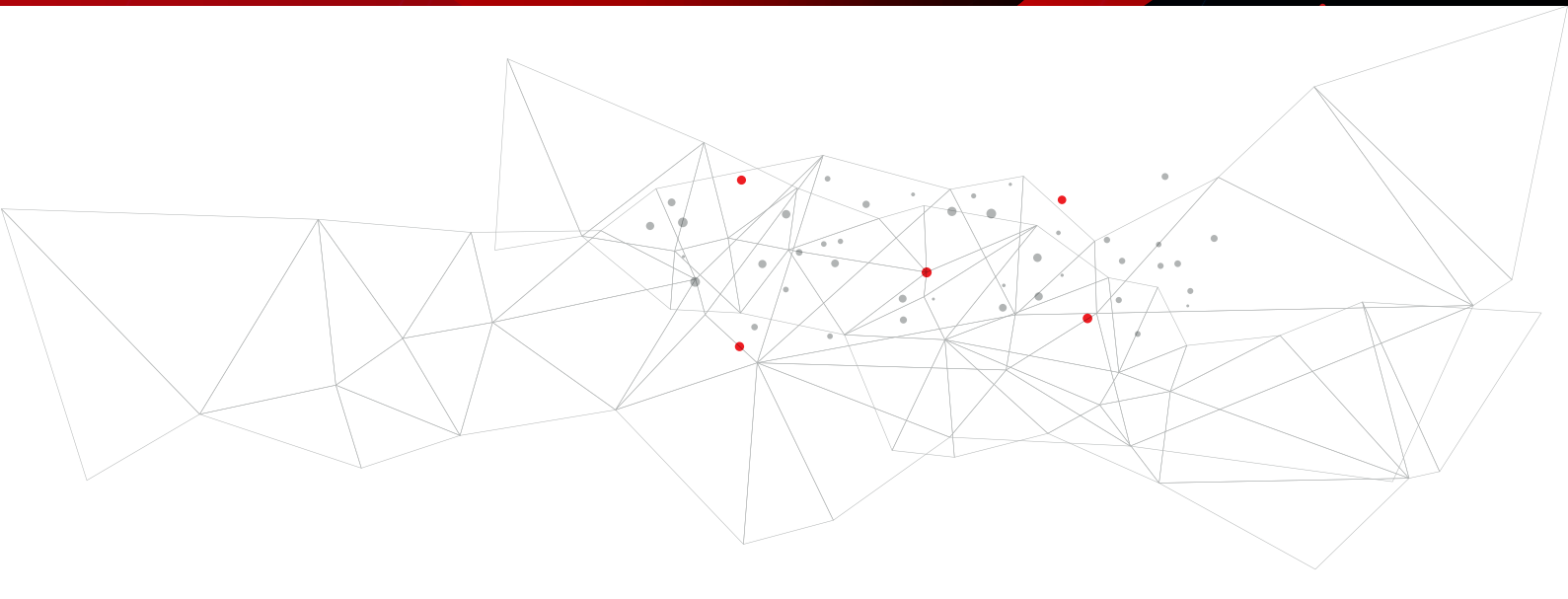


JMT NETWORK SERVICES PLC.



ANNUAL REPORT --- 2019



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Financial Highlights

Unit: Mil. Baht

	2017	2018	2019
Total Revenues from Core Business ^{1/}	1,356.3	1,868.7	2,551.0
Gross Profit	781.9	1,086.3	1,413.0
Net Profit	396.1	505.5	681.3
Total Assets	5,247.9	8,363.3	10,142.0
Total Liabilities	2,922.7	4,896.5	6,708.3
Total Shareholder's Equity	2,325.2	3,466.8	3,433.2

	2017	2018	2019
Net Profit Margin	29.2%	27.0%	27.0%
Return on Equity (ROE)	17.0%	14.6%	19.7%
Return on Assets (ROA)	7.5%	6.0%	7.4%
Debt to Equity Ratio (D/E) (times)	1.25	1.41	1.68
Earning Per Shares (Baht/Share) (EPS)	1.01	0.58 ^{2/}	0.77

1/Total Revenues from Core Business is Services income from debts collection and others, Revenues from collection of purchased accounts receivable and Interest income and related income.

2/The Company has been changed its par value of 1 baht to be 0.5 baht per share. The par change will not impact shareholding structure change of each shareholder.

Message from the Board of Directors

Dear Shareholders,

In the year 2019, the Company continued to focus on creating the business performance to achieve the target, which was clear that the Company had achieved its highest operational performance for the third consecutive year. The Company had the highest cash collection record for the 3rd year at the level of 3,204 million Baht, a total income of 2,551 million Baht, and a net profit of 681 million Baht, which was the best result of the Company. This success was achieved by establishing the Board of Directors' operational policies, the strategic planning of executives, and the collaboration in the work of all employees, which enabled the Company to achieve its operational results in the past year.

In 2020, amid economic conditions and external factors that affect the overall condition of various businesses, which is regarded as a challenging factor for the Company's performance. However, the Company can consider increasing in investing in the non-performing debt as well, which is considered an opportunity for the Company's operations in the future. This year, the Company still set a goal to invest in the potential NPLs by carefully considering the cost of investment.

For this opportunity, the Company wishes to thank you to the shareholders, customers, business partners, management, and employees that are involved in supporting the Company and would like to confirm to all that we shall conduct the business professionally as well as continuously develop the organization's capabilities along with the social responsibility policy, maintain a good role model for society to generate the quality of life sustainably.



Mr. Adisak Sukumvitaya
(Chairman of The Board)

Board of Directors

Mr. Adisak Sukumvitaya

Age : 64 Years

Position : Chairman of the Board

Educations : 1978 Master of Economics Kasetsart University
1980 Bachelor of Economics Kasetsart University

Certification : 2008 Director Accreditation Program (DAP) of Thai Institute of Directors
2014 Capital Market Academy (CMA 15)



Experience

2016 – Present	Chairman of the Board	Jaymart Mobile Co., Ltd
2017 – Present	Chairman of the Board	J Ventures Co., Ltd
2016 – Present	Chairman of the Board	Singer Thailand PCL.
2012 – Present	Chairman of the Board	JMT Network Services PCL.
1994 – 2012	Director	JMT Network Services PCL.
2013 – Present	Chairman of the Board	J Asset Management Co., Ltd
2013 – Present	Chairman of the Board	Jaymart Insurance Broker Co., Ltd
1990 – Present	Director and Chief Executive Officer	JMART PCL.
2004 – Present	Chairman of Executive Board member	JMART PCL.
2012 – Present	Director	JAS Asset PCL.

Qualification

1. No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past.



Ms. Yuvadee Pong-Acha

Age : 64 Years

Position : Director, Chairman of the Executive Director
Nomination and Remuneration Committee

Educations : 1978 Master of Business Administration, Bridgeport University, U.S.A
: 1980 Bachelor of Political Science, Thammasart University

Certification : 2008 Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2016 – Present	Director/Executive Committee	Jay art Mobile Co., Ltd
2017 – Present	Director	J Ventures Co., Ltd
2012 – Present	Chairman of Executive Board member	JMT Network Services PCL.
1994 – Present	Director	JMT Network Services PCL.
2007– 2011	Managing Director	JMT Network Services Company Limited
2013 – Present	Director	J Asset Management PCL.
2013 – Present	Director	Jaymart Insurance Broker Company Limited
2001 – Present	Chairman of the Board	J Fintech Co., Ltd
1990 – Present	Director	Jaymart PCL.
2004 – Present	Executive Director and Deputy Chief Executive	Jaymart PCL.
2012 – Present	Director	JAS ASSET PCL.
2002 – Present	Director	T.A.S ASSET Co., Ltd

Qualification

1. No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past.



Mr. Piya Pong-Acha

Age : 50 Years

Position : Director, Executive Director

Education : 1994 Bachelor of Management, Kasembundit University

Certification : 2011 Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012 – Present	Director, Executive Director and Chief Executive Officer	Jmt Network Services PCL
1998 – 2012	Director of Marketing	Jmt Network Services PCL
2015 – Present	Director	Singer Thailand PCL
2013 – Present	Director	J Asset Management Co., Ltd
2013 – Present	Director	Jaymart Insurance Broker Co., Ltd
2011–Present	Director	J Fintech Co., Ltd

Qualification

1. No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

Mr. Rerngchai Ingkapakorn



Age : 64 Years

Position : Directors (Independent Director),
Chairman of the Audit Committee

Education : 1998 Master of Business Administration University of Phoenix, U.S.A
: 1990 Bachelor of Business Administration in Finance San Francisco State University, U.S.A

Certification : 2011 Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012 – Present	Director and Chairman of the Audit Committee JMT Network Services PCL.
2013 – 2018	Head of Office of CEO, Ananda Development PCL.
2018 – Present	Director, Ananda Development PCL.
2010 – 2013	Supply chain performance manager and development manager SIAM CITY CEMENT PCL.
2004 – 2010	Geocycle manager SIAM CITY CEMENT PCL.

Qualification

1. No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past



Mr. Kanchit Kawachat

Age : 54 Years

Position : Director (Independent Director), Director of the Audit Committee

Education : Master of Business Administration University of Missouri,U.S.A
Bachelor of Architecture King Mongkut's Institute of Ladkrabang

Certification : 2005 Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012– Present Director and Director of the Audit Committee
JMT Network Services PCL.

2014 – Present Chairman of The Board
Mindset Entertainment Company Limited

2013 – 2014 Chief Executive Officer–Digital TV Business.
GMM Grammy Plc.

2005 – 2013 Director and Vice President Chief Financial Officer Investment and Business
Development WORK POINT ENTERTAINMENT PUBLIC COMPANY LIMITED

2002 – 2005 Vice President of Investment Banking Department.
Thanachart Securities Company Limited.

1999 – 2001 Assistant Vice President Development Fund.
Ayudhya JF Asset Management (AJF).

1994 – 1999 Assistant Vice President, Product Development.
Securities One Public Company Limited.

1988 – 1989 Architect Architect 49 Limited.

Qualification

1. No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

Mr. Somsak Atisaitrakul

Age : 54 Years

Position : Director (Independent Director)

Education : Master of Business Administration Kasetsart University
Bachelor of Engineering Chulalongkorn University

Certification : Director Accreditation Program (DAP) of Thai Institute of Directors



Experience

2016 – Present	Director	JMT Network Services PCL.
2013 – 2015	Country Lead (mobile)	Lenovo
2007 – 2011	Head of mobile phone	LG

Qualification

1. No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

Mr. Sutthirak Trichira-aporn

Age : 43 Year

Position : Director

Executive Director

Chief Executive Officer

Director of Marketing and Sales



Education : Bachelor of Business Administration in Marketing, Bangkok University

Experience

2017-Present	Chief Executive Officer / Executive Director	JMT Network Services PCL.
2016-Present	Director of Marketing and Sales	JMT Network Services PCL.
2006-2012	Senior Manager, Marketing and Sales	JMT Network Services PCL.
2013-1016	Assistant Director of Marketing and Sales	JMT Network Services PCL.
2013- Present	Director	J Asset Management PCL.
2013- Present	Director	Jaymart Insurance Broker Co., Ltd

Qualifications;

- 1 No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

General Information

JMT Network Services Public Company Limited

Stock Symbol : JMT
 Head Office: 187 Jaymart Bldg., 4 – 6th Fl., Ramkhamhaeng Rd., Rat Phatthana,
 Sapansoong, Bangkok 10240
 Telephone: 0-2308-9999
 Fax: 0-2308-9900
 Company Registered Number: 0107555000074
 Website: www.jmntnetwork.co.th
 Type of Business: Debt collection services and distressed debt management
 Registered Capital: 554,994,295 Baht
 Paid-up Capital: 444,254,288 Baht (Par Value 0.50)

Subsidiary Companies

J Asset Management Company Limited

Head Office: 187 Jaymart Bldg., 4th Fl., Ramkhamhaeng Rd. Rat Phatthana,
 Sapansoong, Bangkok 10240
 Telephone: 0-2308-9999
 Fax: 0-2308-9840
 JMT Shareholding Proportion: 99.99%
 Company Registered Number: 0105556069459
 Type of Business: Non-Performing Debt Management Business
 Registered Capital: 300,000,000 Baht
 Paid-up Capital: 300,000,000 Baht

Jaymart Insurance Broker Company Limited

Head Office: 187 Jaymart Bldg., 5th Fl., Ramkhamhaeng Rd. Rat Phatthana,
 Sapansoong, Bangkok 10240
 Telephone: 0-2308-9999
 Fax: 0-2308-9840
 JMT Shareholding Proportion: 99.99%
 Company Registered Number: 0105556022886
 Website: www.jayinsurancebroker.co.th
 Type of Business: Insurance Brokerage
 Registered Capital: 15,000,000 Baht
 Paid-up Capital: 15,000,000 Baht

JP Insurance Public Company Limited

Head Office : 100/100 Vongvanich Complex B Building, 29th Floor, Rama 9 Road,
Huai Khwang District, Bangkok 10310

JMT Shareholding Proportion : 55%
Company Registered Number : 0107556000060
Website : www.jpinsurance.co.th
Type of Business : Non-Life Insurance
Registered Capital : 572,000,000
Paid-up Capital : 572,000,000

Auditor**EY Office Limited**

193/136-137 Lake Ratchada Office Complex, 33rd Fl., Ratchadapisek Road, Klongtoey, Bangkok
10110 Tel: 0-2264-0777 0-2661-9190 Fax: 0-2264-0789-90

193/136-137 Lake Ratchada Office Complex, 33rd Fl., Ratchadapisek Road, Klongtoey, Bangkok
Tel: 0-2264-0777 0-2661-9190 Fax: 0-2264-0789-90

Mrs. Nonglak Pumnoi	Registration No.4172
Ms. Rungrapa Lertsuwankul	Registration No.3516
Ms. Rattana Jala	Registration No.3734
Ms. Pimjai Manitkajohnkit	Registration No.4521
Ms. Wanwilai Petsang	Registration No.5315
Ms. Rosaporn Decharkom	Registration No.5659
Ms. Sumana Punpongsanon	Registration No.5872

Legal Advisor

Thep Co., Ltd
1193 EXIM Building, 11th Floor, Room 1107-1108, Phaholyothin Rd, Samsennai, Phayathai Bangkok
10400 Telephone: 0-2278-1683-84 Fax: 0-2271-2367, 0-2271-2587

Investor Relations

Mr. Panya Chutisiriwong
Tel: 02 308 8196
Email: panya@jaymart.co.th

Nature of Business

1. Nature of the Business

1.1 Overview of Business

The company was established in 1994 with registered capital of 5 million baht paid by JMART group. To operate business in servicing for tracking and collection of debts, sue to investigate property and compulsory execution across Thailand. The JMART group has the experience and expertise being a result from the business operation of distributing various brands of electronic appliances, prior to entering the mobile phone business. Later, the company has expanded to distressed debt management business and car loan services, respectively.

Background and Development

- 1994** The company was established to operate business in servicing for tracking and collection of debts, sue to investigate property, compulsory execution across Thailand with a paid registered capital of 5 million baht, divided into 50,000 shares with a par value per share of 100 Baht
- 2006** Expand into Non-performing debt management business. By buying the first group of distressed debt to manage and track
- 2011** Established subsidiary company, buy more Non-performing debt and expand to car leasing
- Establishment of a subsidiary company, JMT Plus Co., Ltd. ("JMT Plus" or the "Subsidiary Company").
The Company holds 100 per cent to accommodate the new business in the future.
 - Beginning the car loan service by in the first phase focused on lending to individual customers for used cars of personal cars
- 2012**
- The Company was converted into a public limited company and changed its name to JMT Network Services (Public) Company Limited on Apr. 19, 2012.
 - Change in the par value of the shares, from the par value per share of 100 baht to the par value per share of 1 baht and a capital increase of 120 million baht to 300 million baht.
 - Increase of Paid-up capital of 105 million shares by Right offering and the registered the increased paid-up capital to 225 million baht on May 14, 2012.
 - On November 27, 2012 the company was listed on the Stock Exchange of Thailand and offered increased capital shares of 75 million shares and allotted to the shareholders of JMART and offered to the general public. Resulted in currently, the company has a paid-up capital of 300 million shares. The main shareholder group is the main executives, including JMART Public Company Limited, holds approximately 75 percent
- 2013**
- On February 5th, 2013, the company established a subsidiary, JMT Insurance Broker Co., with the authorized capital of 2 million baht for continuing running the broker business in disaster type.

- On April 26th, 2013, the company established another subsidiary, J Asset Management Co., with the authorized capital of 25 million baht for pursuing the buying Non-Performing Load (NPL) which is already went through the legislative procedure from the financial institute

- 2014** JMT Insurance Broker Company Limited name changed J Insurance Broker Company Limited is a subsidiary of Company
- 2015** JMT PLUS Co., Ltd. (Subsidiary) received a license to conduct a personal loan business under supervision and retail loans for making a living under supervision. The J-Money personal loan service was launched during the 4th quarter of 2015.
- 2016** On 1 September 2016, The Company increases capital in Subsidiaries Jay Insurance Broker to 5 million baht in order to support business expansion.

Board of Directors No.5/2016 on 11 August 2016 has approved the capital increasing of subsidiaries, JMT Plus Co., Ltd, for 110,000,00 shares with par value of 10 baht. The Board of Directors has approved the waiver of share subscription in JMT Plus Co., Ltd to Jaymart Public Company Limited. The Extraordinary General Meeting No.1/2016 passed a resolution as per Board of Directors proposed. After the waiver of share subscription in JMT Plus the Company diluted its shareholdings to 9.84. And JMT Plus Co., Ltd subsequently has been changed the company name to “J Fintech Co., Ltd”

- 2017** Board of Director No.2/2017 passed a resolution to approve to set up a subsidiary in Cambodia, JMT (Cambodia) Co., Ltd to engage collection business. The company establishment was completed on 6 June 2017

Board of Director No.6/2017 has resolved to approve to increase paid-up capital in subsidiary, J Asset Management by increase registered capital of 27.5 million shares at 10 Baht per share. The paid-up capital after complete capital increasing was 300 million Baht.

- 2018** Board of Director No.1/2018 approved to signed the Share Purchased Agreement and Shareholder Agreement of Phoenix Insurance (Thailand) PCL which subsequently changed the company name to JP Insurance PCL. The Company is a major shareholder with 55% of shareholding in the JP Insurance PCL.

Board of Director No. 3/2018 approved to change its par value from 1 baht to 0.5 baht. And the number of share change as according to it par value change to be 887,990,872 share and approve to issued warrant No.2 (JMT-W2) amount not exceed 221,997,781

unit. The Extra Ordinary Shareholder Meeting No.1/2018 approved as the board of directors proposed.

Board of Director No.5/2018 approved to dissolve the subsidiary JMT Cambodia Co., Ltd

2019 The Extra Ordinary Shareholder Meeting No.1/2019 for issuance and offering the debentures with a revolving amount of 5,000 million baht. After the shareholder approved the Company will then possess the credit limit for debenture for 10,000 million baht.

Amendment the Objectives in the Article of Association of the Company by adding 1 objective

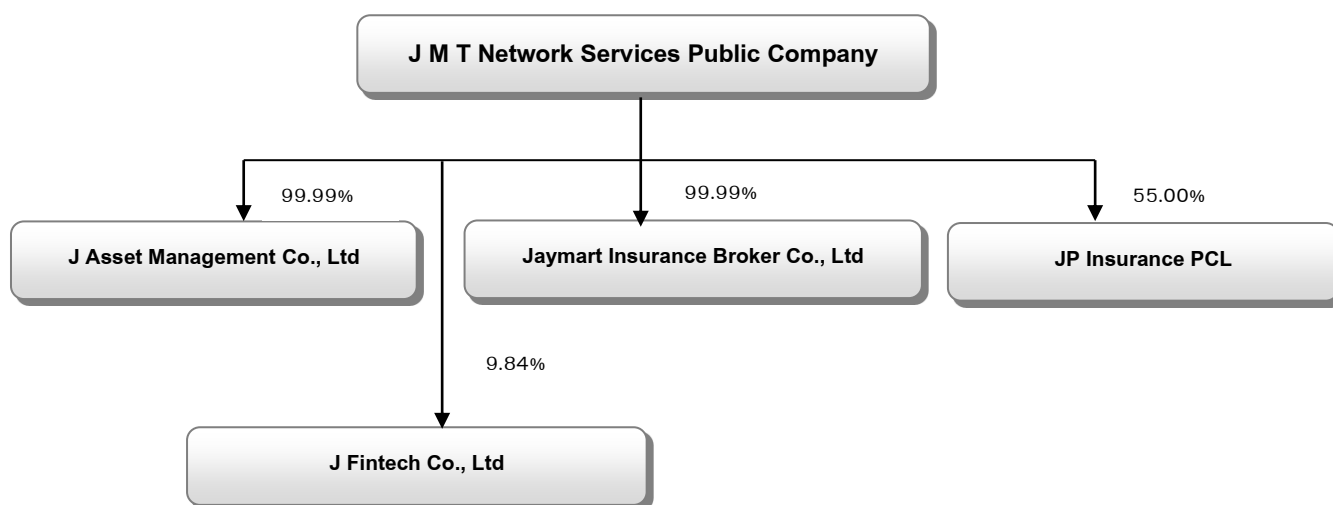
“Article 33 To conduct business of risk assessment, damage value assessment, asset appraisal, advisor, recommendation, services for surveyor, accident and casualty assessment of insurance policy, claim including act as an agent of aforementioned activities for personal, juristic person, insurance company, government and/or public enterprise.”

On 23 April 2019 the subsidiary of the Company has changed the Company name from J Insurance Broker Co., Ltd to Jaymart Insurance Broker Co., Ltd.

1.2 Nature of the Business of the Company and Subsidiary Company

Company Group Structure

As at 31 December 2019, the company has a subsidiary company operating of 3 companies J Asset Management, Jaymart Insurance Broker Co., Ltd and JP Insurance Public Company Limited. For J Fintech Co., Ltd is considered as a long-term investment.



Business operation of the Company and its subsidiary

Currently the company and its subsidiary have operated in core businesses, comprises of debts tracking and collection services, management of Non-performing debt, personal financial business and Insurance Broker Business.

Debt tracking and collection service business

Our company is a service provider in tracking the distressed debt in which the creditor is unable to pursue or not wishes to pursue by himself as the income received is not worth the cost of the tracking. It covers all types of debt, such as personal loan group debt, credit card group debt, utilities group debt and service fees group debt. The employer, which including various creditors will send the name list and information of debtors to the company. The company then will search for additional information of the debtor, investigate and track the debtor and negotiate for each debtor to make the debt payment, under the terms which the company has been authorized by the employer. The company will receive the debt tracking service fee in the percent ratio of debt that the company able to track and agreed for the debtor to pay the debt.

As at December 31, 2019 the company has the amount of debt assigned to track from the employer in the amount of 43,686 million baht. The key employers are financial institutions and leasing companies.

The company also provides other services related to providing tracking and collection services, including legal services in connection with the execution of all types of debt. For legal services, is a lawyer serving to a third party. The team of lawyers is a team that acts in suing against the debtor who fails to pay the debts. As for the business operation of the debt tracking and collection and management of debt, the company will recognizes the income as service fee and fees as percent ratio of the amount of repayment from the compulsory execution. For the document delivery service, is a service made available to third parties. The delivery of documents and goods is mainly by motorcycle and a pickup truck.

Non-performing Debt Management Business

The Company and its subsidiary operate the business of managing distressed debt resulting from the fact that financial institutions, including some of the leasing companies have a policy to reduce the proportion of the Non-performing debt and reduce their cost in tracking the debt. Hence, has a policy to distribute such distressed debt out from the account. The creditor will open for the company that specializes in debt tracking and collection to auction the distressed debt at a discount price of the full debt. The bidder shall have the obligation of managing and take on the risk of tracking and collection of the debt auctioned. From the fact that The Company and its subsidiary has the analysis data on personnel debt collection and expertise in debt tracking and collection for more than 20 years, it is an essential factor which causes The Company and its subsidiary to be able to analyze and evaluate the opportunities in tracking and collection of debt effectively and succeed in operating such business.

As at December 31, 2019, the company has distressed debt under management in the total book value of loans from debt purchase 7,920.5 million baht.

Insurance Broker Business

The company provides different types of life insurance broker. The revenue will come from the return of the commission from the premium customers. Which is the business with no risk of impairment of the goods. Because the business is not required to have insurance policies with the company or stock company. Act as brokers who engage in insurance between clients and insurance companies.

Non-Life Insurance Business

The subsidiary of the Company conducts non-life insurance business by transform and utilizing technology or Insures for the insurance business. In 2019, the revenues structure for motor insurance 81% and non-motor insurance 19% from total insurance premium of 390 million baht. The subsidiary of the company aim to diversify portfolio to the potential area which has lower claim ratio and Synergy with the group of companies.

1.3 Revenues Structure

The revenue structure of the company according to the consolidated financial statements, segmented according to the business for the years 2017- 2019, comprises of revenues as follows

	2017		2018		2019	
	MN. Baht	%	MN. Baht	%	MN. Baht	%
Core Business						
Revenue from debt tracking and	242.0	17.8%	289.0	15.3%	363.7	14.3%
Revenue from Non-performing debt	1,109.8	81.5%	1,480.0	78.5%	1,950.2	76.5%
Revenue from Insurance	0.0	0.0%	98.3	5.2%	210.6	8.3%
Total Revenues from Core Business	1,356.3	99.6%	1,868.8	99.1%	2,524.5	99.1%
Other Revenues	9.9	0.7%	4.6	1.0%	26.1	1.0%
Total Revenues	1,361.7	100.0%	1,885.9	100.0%	2,550.6	100.0%

1.4 Target of the business

The company has goals according to each business type as follows

Debt tracking and collection service business

The company aims to maintain its leadership in the tracking and collection of debt service business, with a plan to maintain the volume of debtor tracked at the amount of 20,000 million baht, with an emphasis on expanding the services mainly to customers of financial institution, in both existing and new customers.

The company has operation strategy to achieve the goal as follows

- Focus on quality of service in tracking and collection of debt to achieve the standards and efficiency under the goal to make customers achieve the highest satisfaction. Moreover, every year there must be no complaints on quality of service from customers.
- Development of information systems and gathered of modern information with the goal to develop such a system to be up to date every year.

Non-performing Debt Management Business

The company The Company and its subsidiary aim to buy more Non-performing debt for management with the short-term goal to buy debt amount in full to manage, with investment budget around 4,500 million baht per year by focusing and managing as follows

- Conservative Bids under the careful growth policy
- Develop tracking database and carefully evaluate the result of the tracking and collection of debt prior to auctioning the debt.
- Capital spending and tracking costs are carefully monitored and evaluate the result of tracking and collection of debt compared to the cost in detailed regularly on a quarterly basis.

For 2019, The Company and its subsidiary acquired non-performing loan with an investment amount of 3,368 million baht from financial institution

Insurance Broker Business

The company and subsidiaries aim at expanding into the insurance broker services by focusing on providing the disaster insurance services and will perform accordingly;

- Expanding the marketing channel in order to giving the feedback both to internal and external customers.
- Enlarging the market via an online channel, website channel, by beginning to providing services via the website channel since 2014.
- Expanding the channel via the J-Mart mobile phone stores in every branch.
- Expanding the channel via business partners.
- Enlarging the channel via telesales.

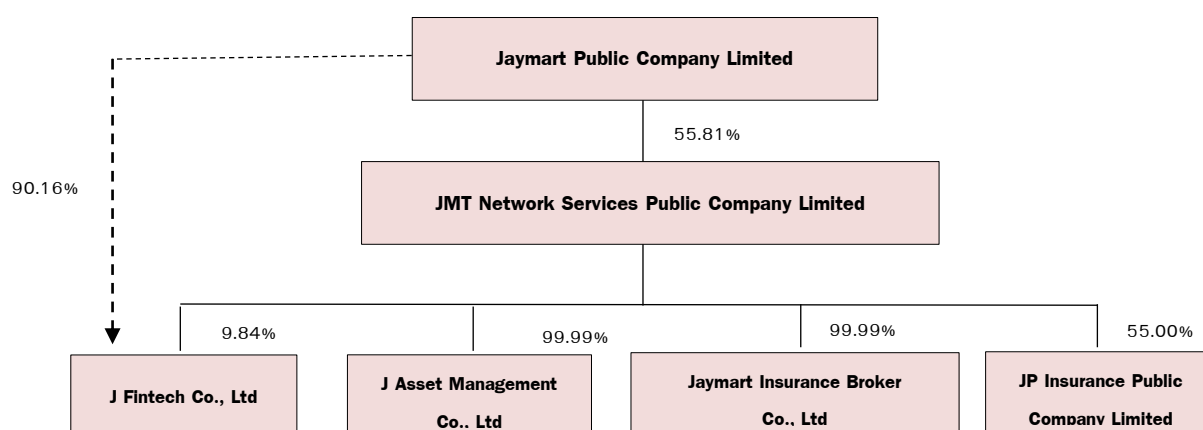
For entering into the insurance broker business, the company views this kind of business as the interesting one, and no risk in depreciation of the products and services.

Insurance Business

The Company and subsidiary target to expand insurance business by utilizing technology in business such as development of direct sale for customer through Web Application.

1.5 Relationship with Major Shareholder

The core business of the Company consist of 3 main business debt tracking business, debt management and insurance and insurance broker business which under the group of companies of Jaymart, the major shareholder, the group structure of Jaymart Group of Companies are as following as of 31 December 2019;



Risk Factors

1. Risk Factor

Risk Factors in operating the business of the company that could affect the return from the investment of the investors significantly and risk prevention guidelines can be summarized as follows

1.1 Risk in operating Business

The company operates 3 main types of business such as tracking and collection of debt service business, non-performing debt management and Insurance Broker Business. which have risk that are different according to the type of business as follows.

1.1.1 Debt tracking and collection service business

1.1.1.1 The risk from the changes in the Non-performing debt management policy and the bargaining power of the employer.

In the past, the employer group has policy to hire a company to track and collect the Non-performing debts, due to the need to reduce the operational burden and cost of tracking and collection. However, presently some employers have modified their policy by proceeding with the tracking and collection of the debt by themselves or sale the Non-performing debt, as employers begin to focus on the debt tracking and collection process or in order to reduce the risk in terms of image of the employer, as well as to reduce the rate of bad debts to total loans of the employer. Making the company is at risk to a loss of revenue from debt tracking and collection service and experiencing personnel management. Furthermore, the debt tracking and collection service business is a business which the employer has the authority to negotiate, meaning that the service fee, characteristic of the portfolio of the debtor employed, volume of debtor employed and the duration period of employment is determined by the employer. Therefore, the employer has the influence in the performance of the company.

The company has foreseen of such risk, hence has issued policies to maintain and improve the quality of services to be in accordance with policies of the employer, with a fair service fee and not increasing the cost to the employer. This including the development of databases and systems modernization in order for the employer to ensure that the company has the capability in tracking and collection of debt, able to keep secret information of the client and do not affect the reputation and image of the employer. Employers are still likely to hire a third party to track and collect debt, in order to reduce the burden of debt tracking and collection themselves. The company has also expanded into the management of Non-performing debt business, in order to reduce the risk of relying on the debt tracking and collection service business and the bargaining

power of the employer and making the company able to manage the existing staff more effectively.

1.1.1.2 Risk of competition in the industry

Debts tracking and collection service business is a business with a lot of operators, may result in the competition in term of the commission Rate. Such business is a business which does not use a large investment fund and with business operation structure that is not complex. Therefore the risk that the new business operator will be competing more in the business, which the competitors may be foreign company or operators of related businesses such as law firms and litigation and Non-performance debt executive. Making the Company may face a highly competitive condition and may affect the performance.

However, the company expects the risk from the competition to be not much. As the employer of the company mainly are commercial banks, financial institutions or large companies which focuses on the properties of the operators, service quality and risk of the image of the employer. The company has a policy in tracking and collection of debts by focusing on the service quality at the competitive prices. With personnel and information systems to store data effectively, while most operators are still small companies with less personnel or lack of debt tracking system to support the services provided to the major employers. The company has experiences in debt tracking and collection and the good relationship that the company has with an employer for more than 20 years, has won the outstanding performance from various employers and for many years in a row. Making the company confident that the company has the capability and able to compete with other operators in the industry.

For the risks that the new operators to enter the competition in the industry has increased. The company expects that such risks are not much, as entering the operation of debt tracking and collection service business has an essential limitation which is, the failure to gain the trust of the employer causing an unequal competitiveness with the existing operators. For the fear that the other related business operator will enter to operate an additional debt tracking and collection Service business, the company expected the litigation law firm to come in but may focus on the law suit rather than the tracking and collection of debt. As opposed to the company which focused on providing the debt tracking and collection services. As for the Non-performance debt executive usually will proceed with the tracking and collection of debt purchased for management, hence focuses on specific types of debt that they have the expertise or managing of such debt. In another word, focuses on debt tracking to promote its core business only. It is expected that the opportunity to have a new, large debt tracking and collection company to compete in the business will not be as much.

1.1.1.3 The risk of litigation arising from the debt tracking

The company is exposed to the risk of litigation lawsuits from debtors arising from the debt tracking and collection of the company, which may cause conflicts with the debtor being tracked. However, today the Company does not have any lawsuit from debtor groups, as the company provides training and disciplinary measures to supervise the tracking staff in treating debtors with a polite method, and in accordance to the operational standard of the company and the employers. The company hence believes that there is very little chance of being prosecuted.

1.1.1.4 The risk of the operation which may cause a bad image to the society

The company operates the business in debt tracking and collection service, making the negotiations with the debtor may cause dispute or dissatisfaction to the debtor. With regards to some debt collectors in the industry group have acted inappropriately in the debt tracking and collection such as the use of obscene words, tracking and collection in the manner which causes disturbance to the extent of threat. Making the company to be at risk in being accused or categorized of operating the business in appropriately and may cause bad name to the image of the company.

Moreover, the company has strict policies in the tracking and collection of debt in a polite manner and respect to the debtor. The company has specified policy in the contacting for collection period from 8.30 am to 20.00 pm, Monday to Friday and other measures which is in accordance with the practice in debt collection, issued by the Bank of Thailand. In the past the company has won the trust in the high quality of debt tracking and collection from the employer group. The company has never received a complaint of improper debt collection of the company from employers.

1.1.1.5 The risk of reliance on major customers

The Company operates the business in providing debt tracking and collection service with the revenue from the tracking and collection of debt from the employer who is one of the financial institution for a high ratio of approximately 30 – 40 percent, compared to the revenue from the tracking and collection of debt each year, representing approximately 10 percent of total revenues. In the past the company has a good relationship with such employer, throughout. This is the employer who has been sending the work to the company since 1998 and the company has enter in to an employment agreement to provide debt tracking and collection service for this client, with the term of about 3 years, but there has always been a renewal of the agreement. However, because there are many operators in this business, it is likely that the employer will not renew the contract with the company or turn to enter the agreement partially or all with other of the other patrons. This may affect the revenues of the company, and if the company is unable to find a replacement employer, it may have a negative impact on the company's business in the long run.

However, even if the company has a good relationship with such employer for a long time, the company has foreseen such risk. It focuses on the relationships among a group of former partners and tries to expand the base of the partners more to other partners. This is by, appointing the marketing department to track the information of the target customers group such as financial institutions, personal loan provider groups, loan provider groups and the wholesale service provider groups or direct sale, in order to find the opportunity to present the data on the work of the company. In the past, to open the business opportunity, in the event where the employer wishes to enter into an agreement, partially or all with other mercenary, the company expects that there is not much possibility. As the company can still maintain the excellent service quality to meet the standards set by the employer, in addition, the company has a good debt tracking result, at a reasonable price and competitive level.

1.1.2 Non-profit debts management Business

1.1.2.1 Risk from the investment in the Non-profit debt management

The company operates in the business investing in the purchasing of Non-performing debts from leasing company and financial institutions for collection and tracking of the debt itself. The determination of the bidding price to buy the debt, the company will determine by the type of debt, the quality of each debt, the period of the pending payment and the goal of the debt collection of the company.

However, determining and setting of the purchase price of the Non-performing debt each time, the company has carefully planned and verifying the information of the debt in detailed from the information provided by the seller. Information such as debt collection analysis data, and other information in order to assess the duration and the proportion of money that is expected to be collected by the company, the cost of the operation throughout debt collection period and the rate of return that the company demands. Including the fact that the company has experiences in tracking and collection of debt for a period of up to 20 years, with analysis data of the debt collection history and monitoring of debt collection continuously and consistently. This is by setting up an executive meeting in order to monitor and evaluate the collection result on a weekly basis. Include the finding of a marketing solution or measures to support and motivate the debt collection.

1.1.2.2 Risk of competition in the industry

Management of non-performing debt is a business that still has not much competitors, hence there is a risk that the new operator will enter more into the competition of the business and may result in the competition of the auction price, where the new operator may be foreign companies, or operators of related businesses such as law firms and litigation and debt tracking and collection service provider. In addition, there is the risk that the debt distributor will track

the debt themselves or hire the third party to track the debt, instead of selling the debt to a third party.

However, the company expects that there will not be risk that the new operators to enter the competition in the industry increases. As to operate the management of Non-performing debt business has the key essential properties such as, must have an adequate level of funding, have the skills and experiences in considering and determining the purchasing price of the debt and have the capabilities in tracking the debt. Whereby, if the new operator does not have such property, may cause the competitiveness to be unequal to the existing operators. For the case concerning that other related operator will operate the management of Non-performing debt business more, the company expected that the litigation law firm may enter the business, but more likely to focuses on the debt group that required a law suit. However, this is opposed to the company which focuses more on debt for tracking and collection. For tracking and collection operator, usually will proceed with the tracking and collection of debt made available to the employer already.

For the risk that the debt distributor will proceed with the tracking of debt themselves or hire a third party in tracking the debt, instead of the selling of debt to such third party. The company expects that the employer will continue to sell non-performing debts to a third party, as the amount of outstanding loans in the banking system, excluding interbank loans has increased steadily, and sellers (financial institutions or leasing companies) are still in demand for the reduction of cost in the tracking of debt and doubtful debt ratio down.

1.1.2.3 The risk of litigation arising from the tracking of debt purchased for management

The company is exposed to the risk of litigation lawsuits from debtors arising from the tracking and collection of debts that the company purchased for management, the tracking comprises of both that the company proceed on the tracking themselves and hiring of an outsource, which may cause conflicts with the debtor being tracked.

However, in the past the company never has any lawsuit from debtor groups being tracked, as the company provides training and disciplinary measures to supervise the tracking staff in treating debtors with a polite method, and in accordance to the operational standard of the company.

1.1.2.4 The risk of the operation which may cause a bad image to the society

The company operates the business in the management of Non-performing debt, by collection and tracking of debts, in both that the company tracked themselves and hiring of an Outsource, making the negotiations with the debtor may cause dispute or dissatisfaction to the debtor. Making the company to be at risk in being accused or categorized of operating the business in appropriately and may cause bad name to the image of the company.

Moreover, the company has strict policies in the tracking and collection of debt in a polite manner and respect to the debtor. The company has specified policy in the contacting for collection period from 8.30 am to 20.00 pm, Monday to Friday and other measures which is in accordance with the practice in debt collection, issued by the Bank of Thailand.

1.1.3 Insurance Broker Business

Potential risks from the competition within the industry

Insurance broker business is the business which contains several of both small and big broker companies. In 2013, there are about 389 corporations who exactly provide the disaster insurance and it is a real competitive in customer services providing. The main factors in the competition are based on the price of insurance premium and the insurance institutes. They are the factors which customers use in determining in taking the insurance broker services from any company. Car insurance department has the highest value of the insurance premium than any other type of the insurance that any insurance broker corporations possess.

Potential risks from Insurance Underwrite

The insurance business is based on concept of risk sharing from insurer. If there a claim it will incur expenses for the policy. The company is aware by manage to lower risk by select the insurance policy which have lower claim rate such as for non-motoring insurance and re-insurance to re-insurer company.

Risks from the service complaints

According to the fact that the insurance broker business is under the govern of Office of Insurance Commission (OIC) which is the organization that governs and investigates services providing of every insurance and insurance broker companies. If there is any complaint from the consumer toward the insurance and insurance broker companies, the insurance or insurance broker company has to explain and control his or her business to fall within the predetermined standard. And if the company still does not perform according to the required regulation and be guilty under the severe imperative, the company might be considered in revocation of license in running the business.

1.2 Management Risk

1.2.1 The risk of a major influence by the main shareholder on the determination of the management policy

As at December 31, 2019 JMRT Public Company Limited (“JMART”), a major shareholder of the Company, hold 55.81 per cent of the total paid-up capital after the capital increase and offered to the public at this time. Such holding ratio, resulted in JMART has the power to control, influencing in the decision making and able to control almost all the resolution of the shareholders’ meeting, either in the appointment of directors, or approval requiring a majority

vote or a 3 out of 4 of the shareholders' meeting. Therefore, other shareholders may not be able to collect enough votes in order to investigate and balance on the topic that the shareholder's proposed. In addition, the holding of shares in the concentration condition also causing the opportunity for the company to be takeover by a third party is not able to happen without the consent of Jmart, although other group of shareholders will see the opportunity to increase the business value.

However, the company has an Audit Committee who is an independent committee of 3 persons, from all seven directors of the company to increasing the efficiency and transparency in the administration. There is a balance in the power of the committee and a representative of the minority shareholders to monitor management of the executives committee. The company has also hired an internal control system auditor who is a third party and independent, is P&L Internal Audit Limited ("P&L") to monitor and maintain the internal control system and monitor the implementation of the management to be transparent. The performance is independent and comments to the Audit Committee. Furthermore, the committee of the company also recognizes the importance of good corporate governance policies strictly.

1.2.2 The risk of relying on administrators and staff

The business operations of the company, is a business which must mainly dependent on the capabilities and expertise of the management and staff, both in the relationship ties with various businesses in finding its clients and in the administration. In particularly, Mr. Sutthirak Traichira-apron, the Chief Executive Officer and Acting Executive Director of Marketing and Sales of the Company, is an experienced person in the business for a long time. He is well known and generally accepted in the tracking and collection and management of debt, which is the key feature in contacting with the customer and the business operation of the company. He is also the one who determine the frameworks and policies in the operation of the business as well.

However, the company is aware of such reliance. Therefore, it has been an in increase in decentralizing the management areas to others to reduce the over reliance on the decision of the chief executive officer. There are clear placement of systems and procedures and build a team with the potential to administered and operate, in order for the company to continue effectively.

Shareholding Structure

31 December 2019, The Company has registered capital of 554,994,295 Bath. With paid-up capital 444,254,288 Bath. Divided into number of 887,990,872 shares. Par value is 0.5 Bath per share.

Common shares

As at December, 2019 name of 10 major shareholders and shareholding of the registered and paid-up capital as shown in the share registration book can be summarized as follows.

No.	Shareholders	No. of Shares (Par Value of 0.5)	%
1	Jaymart Public Company Limited*	495,593,474	55.81
2	Thai NVDR	37,065,554	4.17
3	Mr. Paiboon Seriwattana	30,219,500	3.40
4	Mr. Sompong Silsomboon	15,111,700	1.70
5	Ms. Pisinee Seriwattana	12,226,900	1.38
6	Mr. Napat Panjakunatorn	10,050,000	1.13
7	Mr. Somsak Tirakanont	9,687,398	1.09
8	SCB Long-term Equity Fund 70/30	9,490,400	1.07
9	Mr. Wichaya Mekapirak	7,960,020	0.90
10	Mr. Tawat Petchlohakul	7,033,642	0.79
11	Others Shareholders	253,522,284	28.56
	Total	887,990,872	100

*Jaymart Ultimate Shareholders detail are as following;

1	Mr. Adisak Sukumvitaya	146,228,704 shares	or 16.14%
2	Ms. Yuvadee Pong-Acha	106,031,582 shares	or 11.70%
3	Mr. Ekachai Sukumvitaya	85,481,173 shares	or 9.43%
4	Ms. Jutamas Sukumvitaya	71,945,409 shares	or 7.94%

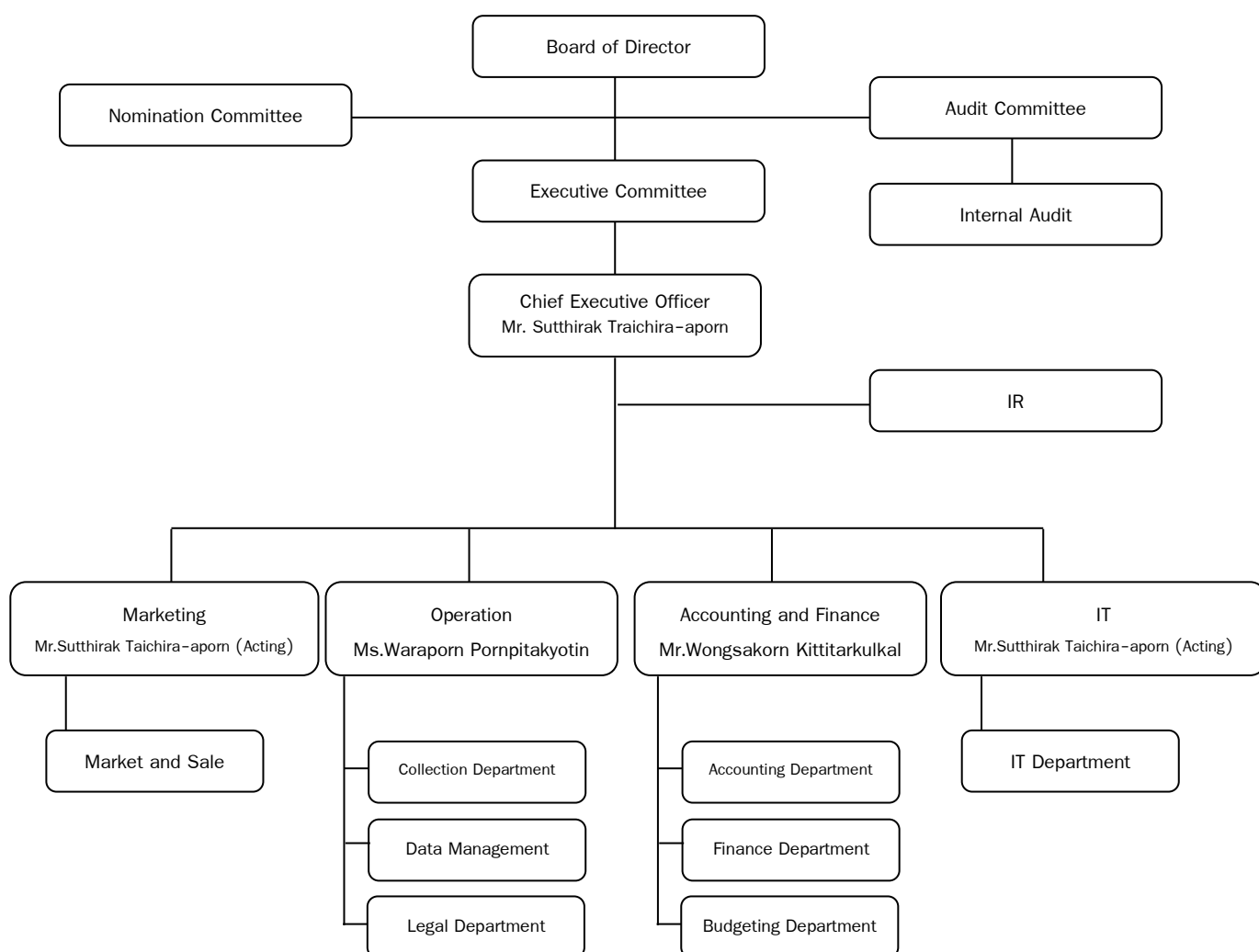
Dividend Policy

The Company's dividend policy is no less than 50 percent of Company's net income after tax and all reserved, however, the dividend payment may change subjected to Company's operation, investment plan, necessity, and appropriation

Organization Structure

As at December 31, 2019 the Organization charts of the company as follows Board of Director and Committees comprises of 5 sets as follows

1. Board of Directors
2. Nomination and Remuneration Committee
3. Audit Committee
4. Executive Committee
5. Management Team



Board of Directors

As at December 31, 2019 the Board of Directors of the company comprises of 7 Directors as follows

1.	Mr. Adisak	Sukumvittaya	Chairman of the Board
2.	Ms. Yuvadee	Pong-Acha	Director/Chief Executive Officer/ Nomination and Remuneration Committee
3.	Mr. Piya	Pong-Acha	Director/ Executive Director/ Nomination and Remuneration Committee
4.	Mr. Sutthirak	Trichira-aporn	Director / Executive Director / Chief Executive Officer
5.	Mr. Rerngchai	Ingkapakorn	Chairman of Audit Committee/Independent Director
6.	Mr. Kanchit	Kawachat	Audit Committee/ Independent Director
7.	Mr. Somsak	Atisaitrakul	Audit Committee/ Independent Director Nomination and Remuneration Committee
	Mr. Wongsakorn	Kittitrakulkarn	Company Secretary

The Chairman of the Board is not the same person with Chief Executive Officer to separate responsibilities.

Directors who has the authority sign for the company according to the company's certificate

Mr. Adisak Sukumvitaya or Miss. Yuvadee Pong-Acha or Mr. Piya Pong-Acha to signed together with Mr. Sutthirak Trichira-aporn in total of 2 persons and Seal of the company.

Scope of authority and responsibilities of the Board of Directors of the company are as follows

- Administered and operate the business of the company to be in accordance with the laws, objectives and regulations of the company, including the resolution of the shareholder's meeting with integrity and carefully protected the interests of the company.
- Has the power to appoint a number of directors and / or the management of the company as the management, to execute one or many, to perform as assigned by the board. As well as the authority to appoint Chief Executive Officer and other committee such as Nomination and Remuneration Committee as appropriate. Including the power to appoint and authorize any other person to perform any execution for the board by being under the control of the board and has the authority to revoke, cancel, amend or change such authority as sees suitable.

3. Determining of target, approach, operating plan, policy and the budget of the company, including the supervision of the management and administration of the management or of any individual assigned to operate such work to be in accordance to the policy given by the board.
4. Reconsider, verify and authorized policy, direction, strategy, business operation plan and mega investment project of the company proposed by the management.
5. Monitoring the performance to be in accordance with the plan and budget consistently.
6. Consider authorizing the investment in the expansion of the business, including entering into a joint venture with other business operator or invest in the company or other business.
7. Determine the policy, direction, and strategy in supervising and managing the work of the subsidiary and/or its affiliates.
8. Determine various regulation of the company.

Determine and authorize other key business relating with the company, or that sees suitable to perform such process, in order to benefit. Except the authority to perform as follows, shall be done only upon the receiver of an authorization from the shareholder's meeting first. Moreover, in the event where the procedure of any topic that any Directors or the authorized person from the director or person who may be in conflict (according to the announcement of Stock Exchange Commission and Stock change market and / or stock exchange market), with interest, or any other beneficial conflict with the company, and /or subsidiary company and/ or related company, such director or authorized person, does not have any authority in authorizing any operation in such item.

A) Any issue that is specified by the law to receive a resolution from the shareholder's meeting.

- B) Any issue that the Director has an interest and is within the scope of law or specified by the stock exchange market, specified to must receive an authorization from the shareholder's meeting such as an operation procedure on the issue that is related, acquiring or distribution of essential asset of the company according to the criteria of the stock exchange market

The following issue must receive an agreement from the board meeting with the majority vote from the director attended and from the shareholder's meeting with the vote of no less than 3 in 4 of all the votes of the shareholder attended and has the rights to vote.

(a) Selling or transferring all or some essential part of the business of the company

(b) purchasing or receive of transfer of business of other company or private company to be owned by the company.

- (c) Making, amend or terminate of agreement related to the business leasing of the company, all or some essential part, appointing other individual to manage the business of the company or merging of business with other individual with the purpose to divide the profit and loss.

(d) Amendment of memo or regulations

(e) Capital increase, Capital decrease, issuance of debenture

(f) Merging of business or quit the company

(g) Any practice specified under the term of law of securities and /regulation of the stock exchange market, to must receive and agreement from the board meeting and the shareholder's meeting with the vote score as mentioned earlier.

Therefore, any issue that the director or an authorized person from the director or individual who may have the conflict, interest or conflict of interest with the company or subsidiary company. The director or the authorized person who has such interest or conflict of interest shall not have the rights to vote in this issue.

Audit Committee

As at December 31, 2019 the Audit Committee consist of 3 directors as follows

1. Mr. Rerngchai	Ingkapakorn	Chairman of Audit Committee/Independent Director
2. Mr. Kanchit	Kawachat	Audit Committee/ Independent Director
3. Mr. Somsak	Atisaitrakul	Audit Committee/ Independent Director
Ms. Chuleewan	Harnwichit	Secretary to the Audit Committee

Mr. Rerngchai Ingkapakorn, Mr. Kanchit Kawaachart and Mr. Somsak Atisaitrakul are persons who have sufficient knowledge and experience in accounting and finance, to audit the credibility of the financial statement of the company. All member of Audit Committee are independent committee.

Positioning Term of the Audit Committee

Chairman of the Audit Committee and audit committee has the positioning term of 3 years per period. Once the term is reached, Chairman of the Audit Committee and audit committee who is leaving the position according to the term, may receive an appointment to hold the same position again.

Scope of authority and duty and responsibility of the audit committee are as follows

1. Collate for company. There are correctly financial report and it must be revealed for sufficiency by cooperation with external auditor and administrator which responsible for doing quarter and yearly financial report. Consider about budget and financial report related on standard for account and existent of operation important changing in account policy including to reason of management for determine policy before present to the board of company to published to shareholders and investor.
2. Planning approach and collate for company. There are internal control and internal audit which are appropriate and efficiency by cooperate with external auditor and company's auditor reconsider audit plan of audit plan of company and evaluate result about problems and limitation of audition planning about electronically control for analyzing information and security of information to prevent corruption or using computer in bad ways by staff or outsider and consider about freedom of internal audit to consider about nomination and hiring of auditor and others which responsible for internal audit.

3. Collate of company's operation to be as law about realty and stock exchange requirement of stock exchange or law related to company's business and duty and responsibility according to SEC's requirement also with stock exchange.

4. Consider and present person which has independent to be company auditor and consider about their payment by regard about reliable plenty of asset and quantity of work also experience of auditor and meeting with these auditor yearly without others departments.

5. Consider about all relative list and earning or sale of company's product including to revealing company's information. In case of list relate on subject that conflict in benefit to be correct and complete and permission to present to committee and/or shareholder of company to be as law determine and ensuring maximum benefit for company

6. Making list of committee's activity and publish to yearly report of company which must have plenty information as law determine and been sign by director of committee the report must have these information

- Opinions of method and publish information in yearly report of company's financial
- Reason to believe that auditor suit for next term.
- Opinion about law enforcement in stock exchange and law relate on company's business
- Number of audit committee and participation of them
- Opinion from operate by charter
- Other report that shareholder should to know under responsibility of company's board and/or

to be

by law determined

7. Audit committee has responsibility to company's board as given by board including report about their activity. In these case the committee must report to company's board immediately

- List has conflict to company's benefit
- There are some doubts about corruption in company
- There might be law breaking
- Other thing company should know

If there must be some operation to improve but the committee found ignorance on that activity they might report to SEC office.

8. Committee has right to ask for opinion from advisor in case of needed.

9. Committee has right to ask for information from other department.

10. Operation as the board given such reconsiders financial policy and crisis management. The power of committee aren't including to conclude for their opinion

Nomination and Remuneration Committee

Date 31 December 2019 Nomination and Remuneration Committee consist with 3 persons such

1. Mr. Somsak Atisaitrakul	Chairman of the Nomination and Remuneration committee
2. Ms. Yuvadee Pong-Acha	Nomination and Remuneration committee
3. Mr. Piya Pong-Acha	Nomination and Remuneration committee
Mr. Chaianan Pikulsom	Secretary of the Nomination and Remuneration committee

Scope of Authority

1. Determine requirement and policy for nominating CEO Committee and other appropriate.
2. Consider policy and approach in nomination and determine the payment which is money and others for CEO Committee and others to meet the result of company operation.
3. Consider and determine Salary of company administrator also nominate new administrator.
4. Consider about raising staff salary and their bonus and rewards.
5. Operate other task given by company's board.
6. Present 1 – 4 topic to the meeting to consider about to authorize the board of directors and the remuneration Committee will not include power to determine salary. If there is some topic conflict with company's benefit the committee must present to company's board and shared holder to consider later.

Executive Committee

As at 31 December 2019 the Board of Directors shall consist of 5 members as follows.

1.	Ms. Yuvadee Pong-Acha	Chairman of the Executive Director.
2.	Mr. Piya Pong-Acha	Executive Director.
3.	Mr. Sutthirak Trichira-aporn	Executive Director.
4.	Ms. Ladda Waruntarakul	Executive Director.
5.	Mr. Wongsakorn Kittitrakulkarn	Executive Director.
	Ms. Waraporn Pornpitakyothin	Secretary to the Executive Committee.

Scope of authority, responsibilities of the Board of Directors is as follows:

1. Supervise the business of the Company shall be in accordance with the regulations, policies, business requirements, regulations, orders and resolutions of the Board of Directors of the Company. And/or resolution of the shareholders of the Company approved.
2. Prepare and present business policy plan's goals and business strategies of the company, the financial plan, annual budget of the company, Human Resource Management, Investment, Expansion, public relations and information technology investments. To present o the Board of Directors is

authorized to determine further and implementation of the policies of the Board of Directors of the Company.

3. Approve and authorize the disbursement approval for procurement of assets, buy distressed debt, service, and other transactions for the benefit of the company. The approval authority will be granted normal trade items with each item do not exceed the limit of 200 million or equivalent. The Board of Directors may revoke or change the authorized person or the authority, as appropriate.
4. The authority to approve the loan, investment in Treasury securities or bank guarantee, a loan from a financial institution or bank guarantees for the benefit of the business in terms of its normal business including a bank guarantee or payment to the normal business of the company with a limit of less than or equal to 350 million
5. Adopting the policy of the Board to determine the direction of approach to main task for mission management.
6. Controls, monitoring the performance of management and the management and recommend solutions to various problems. For the management and implementation of management strategies and master plans laid out to accordance with the policies of the Board.
7. Order regulations and memorandum of understanding for internal use. To ensure that the operations of the Company in accordance with policy and the interests of the company and to maintain discipline within the organization.
8. Moderation, Financial statement and Income Statement to the Board for approval of the shareholders.
9. Prepare a report on the results of operations of the Company including financial statements, Investment statements, significant problem or risk management for the Board of Directors acknowledge and/or approval.
10. Provide advice and consult to the Board of Directors for the company's business decisions.
11. Acting on behalf of the company under delegated authority includes management Authorization Chart in order to effectively manage such a system control and monitoring system.
12. Other duties as assigned by the Board of Directors.

In addition to the items mentioned above will have no effect on the approval of the Board of Directors or the Executive Committee may delegate the approval or persons who may have conflicts of interest. There may be a conflict of interest or any other benefits to the company, or its subsidiaries, or related companies. (Following Securities and Exchange Commission and/or the Notification of the Capital Market and/or stock exchange.) The Board of Directors shall present the matter to the Board of Directors of the Company and/or shareholders to consider and approve the transaction under applicable law or regulations, or announcements on all except in accordance with normal business transactions and normal commercial terms which are required by the Capital Market Commission and the Stock Exchange of Thailand.

Compensation of Directors and Executive Director

For year 2019 the Annual General Meeting of Shareholders 2019 on April 17, 2019 Compensation Committee approved a budget of less than 5,000,000 Baht. The Chairman of Audit Committee and the Audit Committee received remuneration as directors.

List	Position	2018	2019
1. Mr. Adisak Sukumvittaya	Chairman of the board	200,000	200,000
2. Ms. Yuvadee Pong-Acha	Committee	80,000	80,000
3. Mr. Piya Pong-Acha	Committee	80,000	80,000
4. Mr. Sutthirak Trichira-aporn	Committee	60,000	60,000
5. Mr. Rerngchai Ingkapakorn	Chairman of Audit Committee/ Independent Director	200,000	200,000
6. Mr. Kanchit Kawachat	Audit Committee/ Independent Director	120,000	120,000
7. Mr. Somsak Atisairakul	Audit Committee/Independent Director	60,000	120,000

In addition, the Annual General Meeting of Shareholders 1/2018 on April 18, 2018 Compensation Committee approved the detailed remuneration within 5,000,000 baht by separate allowances for the quarter (at 8 times per year) and meeting for the first time. In addition to the quarterly meetings.

Position	2018		2019	
	Quarterly allowances (Baht)	Allowances/Person/ timeIn case of more than 8 times (Baht)	Quarterly allowances (Baht)	Allowances/Person/ timeIn case of more than 8 times(Baht)
Chairman of the board	50,000	20,000	50,000	20,000
Committee	20,000	10,000	20,000	10,000
Chairman of Audit Committee	50,000	20,000	50,000	20,000
Audit Committee	30,000	15,000	30,000	15,000
Chairman of the Nomination and Remuneration committee	-None-	-None-	-None-	-None-
Nomination and Remuneration committee	-None-	-None-	-None-	-None-

Management Remuneration

Total compensation of the 5 executives for the period ended December 31, 2018 and for the period ended December 31, 2019 was 7,180,000 Baht and 7,591,667 Baht which consists of salary, bonuses and other, such as commissions, compensation for the transportation expenses for social security, money fund, and other income. The Board of Directors is the Executive Director and Chief Executive Officer of the Company by definition, the SEC

Good Corporate Governance Report

Good Corporate Governance Policy

The company has realized the importance of efficiently management, clear results and accountability which built the confidence to very associated part and the business has developed longevity. Build with efficiently management, morality and legitimacy. The company determined the good nationalized principle to improve the management that has been existed. Expect to be clear norms and distribute the performance to all employees in all levels. Support to build up the culture for nationalized principle properly. The Company has accepted the method to good nationalize for good corporate governance in 2549 followed the stock exchange that include for 5 categories as follow;

The First Category: Right of Shareholders

The company has emphasized the right of shareholder that might not limit the legislated right. Which to violate the right of shareholder and support the shareholder to take their right such as purchasing or selling shares, to be a part of company's profit, recognize the company's news, cooperate the company's meeting to use their right to appoint or demote the shareholders or the accountant and the impacted issue. Such as allocating the dividend or bonus, specify or amend the regulation and memorandum of association to decrease or increase the budget and approve the special requirements. Except the fundamental rights, the company has determined the ways to support and afford the convenient of fundamental rights for shareholders.

- The company will provide the date, time, place and agenda cover all information that associate to decide of shareholder's meeting. At least 7 days or the legitimacy period. Moreover, there are the announcement to the shareholder in the meeting and the method to vote include to public these information on the company's website before provide as the documents. This is the opportunity for the shareholders have enough time to study the information before the meeting.
- The company will not perform that will be limit the opportunity of the shareholders to study IT information of the company.
- The company will produce the convenience to the shareholders could use their own right in the meeting and vote efficiency, and avoid any performance that will be limited the opportunity of participate the company's meeting. The vote meeting should smooth and not too much expense.
- The company will allocate the time properly and support the shareholders discuss in while they are meeting. Include producing the opportunity for the shareholders submit the questions before the meeting day for 1 day.
- The company will support the committee participate in the meeting with the shareholders and answer the questions of theirs.

- The company will arrange the minutes that will be show the correct information and collect system properly to check.

The Second Category: Approach to the shareholder equally

The company has the managed policy that approach to the shareholder equally and fairness as follow;

- The committee of company will manage the minority shareholders are able to present the agenda in advance for 1 day meeting.
- The committee of company will specify the clear principle in advance to consider that should increase the agenda for the minority shareholders or not.
- The president of the meeting will not increase the agenda if it is not informed in advance unnecessary. Especially the important agenda the shareholders have to use enough time to study before decision.
- The company will determine the way for the minority shareholders are presented the committee position that could present the name through the committee in advance. That will be presented with the information to consider.
- The shareholders are able to use the voted right by provide the authorization to another. Moreover the committee will present the independent committee who is chose as the authorization of shareholders.
- The company will provide the opportunity to the shareholders have the right to appoint the committee.
- The company uses ballot box to vote for the important agenda such as involved list or the list to purchase and distribute to be clear and available to check.
- The company has informed the committee and administration to realize the reported tasks that possess asset in the company of owner, partner, underage and the changing of the possessor in the office. The committee regulates the property and stock exchange section 59 of Act of Parliament in 2535 within 3 day officially.
- The company has determined the way to protect insider trading by hand written. That has to inform this information to all in the company and follow strictly. Dissuade the person who relate with the information purchasing stock exchange for 1 month. Before disclose the three months budget and financial budget for 48 hrs. , after the IT information is disclosed.

The Third Category: The role of interested person

The company realizes the importance for taking care and considers all interested person. Not only the internal interested person such as shareholders, administration and employees, or the external interested person such as trading partner, competitor, government, social influence and community. The company realizes to support the opinions from all interested person to be benefit of arrangement and

development the business. Thus, the company will approach the legitimacy rules that relates to the right of interested person. And, the company will not approach anything that violates the interested person's right. The company will follow these to bring up.

Shareholder:

Approach to the shareholder equally and protect their profit that will not do violate their rights. Expect the shareholders will be the highest satisfy that consider the longevity development of company to increase the value and proper reward follow the good management of business.

Employee:

Approach to the officer equally and fairly with the opportunity, welfare and capacity that all officers are worthy of resource. They are also the main factor to drive the company successfully. Thus the company objects to drive and build as the knowledge, culture, and environmental organization. The company will support to be team work and forward ability of career of the officers. Ensure the security in career include protect the working environment that always accept the suggestion from all level-officers equally.

Customer:

Object the customers satisfy, ensure, attention and responsibility that the customers have to receive the worth services and goods including the security and proper cost follow the norms. Approach the condition and agreement seriously. Develop the norms of services and goods and protect the relationship between the customer and company longevity. Moreover the company will not take the customer's information for any benefit.

Trading partner and Creditor

Realize the fairness, unexploited and honesty to drive the business to protect the benefit of Trading partner and Creditor. Approach the laws and rules that determine together seriously. There are moralities to drive business. Don't call more expense or other profit that is illegal. Approach to the trading partner fairly include compensate on time. Attentions the warranty and condition follow the contact correctly. That has to report of trading partner and officer in advance. If they cannot follow the contact, they have to find out the ways to resolve.

Competitor

Approach to the competitor conforms to the laws about trading principle and follow the treaty equally. Don't obstruct others in trading competition. Don't destroy others frame with bad speech and attract the trading competition with untrue.

Social Community and Environment

There are policies to drive the business responsibly to social community and environment. For security and quality of life must be natural conservation and support to use energy efficiency. Realize the equal of social community to driving business that will affect the environment.

The Forth Category: Information Disclosure and Transparency

After the company register in the stock exchange, the committee provide the important to disclose the correct information clearly and on time. The financial reports follow the norm of the stock exchange rules. Moreover all information affects with the cost of stock exchange because that is impacted the investor's decision through the company's website presently.

In the part of relative investor, the company did not set up this department because there are not many activities in this part, but assign Mr.Sutthirak Trichiraarpon and Mr. Panya Chutisiwong, as the communicator with the investor, shareholders, analyst and associate official.

The committee of company, who are the responsible budget and IT budget, is shown in financial report. These reports have been arranged follow the norm of account in Thailand. Those use the proper policy to evaluate the efficiency financial report and control system. Disclose the information satisfactorily. Report to the committee acknowledge or Mr. Panya Chutisiriwong who the communicator with the investor, analyst and associate official.

The Fifth Category: Responsibility of committee

1.) Committee Structure

The committees of the company have the role as the person who satisfy the policy and overall image of the organization and evaluate the outcome. Arrange the task as the plan. There are 7 committees that posit for 3 year per occasion. There are administrative section 4 people and not administrative 3 people. There are independent committee follow the norms of stock exchange for 3 people that conform the regulation. That satisfies to have at least 3 independent committee perform with the expert for other industry, business account and finance.

Follow the regulation of the company that determines in the meeting that the committee must resign from the position. The way to assort is casting. Then the committee who has posited longest will be the one who must to resign. However the committee who resign as the period might be chosen to be the committee again.

The companies divide the roles and tasks of responsibility between the committee and administration clearly. The committee will determine the policy and arrange the policy of administration. Then the administrations have to drive the policy of the company smoothly.

The president of the company is not the same person who is the president of administration. There is authority to divide clearly and balance the authority. The president of administration must manage daily task under the company's policy that have frame the task clearly.

The committees of the company appoint the subcommittee for 3 people to regulate the business of company. That is the committees who evaluate the recruit committee and determine the allowance.

The committees of administration are 6 people include 4 committee of administration that has the task to help the daily management under the frame of company's policy.

There are 3 committees who evaluate, they are independent committee. They evaluate and observe the efficient of the tasks. Manage the risk and financial control and internal account and financial report and other regulation.

There are 3 recruit committees and determine the allowance include 1 committee of administration, 1 administration and 1 independent committee that satisfy the allowance. Their duties are consider the policy and the way to recruit and satisfy the allowance. Allowance is the money and not the money conforms with the outcome of the company.

In order that, the committees of company appointed the secretary who must to response the regulation and act of stock exchange. (Name list of the secretary and duty disclose the information on the topic 9.1.1)

2.) Roles and Responsibility of committees

The committees have the duty to consider and approve about the operation of the company such as vision, target's plan, budgets, policy controlling and efficiency and effectively plans.

- Controlled Policy

The company's policy control the business by writing that the meeting of committee 4/2555 on 10 May 2555. They have agreed with the policy that they plan to review the policy and capacity. The company has communicated to the administrator to understand and support the company's polices.

- Business Morality

The committee support to all administrators and officers realize about standard of morality that use in the business. Arrange them as the writing and approve for the committee on 10 May 2555 and announce to all officers to perform seriously.

- Conflict and Profit

The committee determines the policy of conflict of the profit that the decision of business performance must manage to the company's profit only. Avoid the performances that lead to the

conflict. The committee and administrator must review and disclose the profit that conflict to know about the relationship between each others. Consider the transactions that determine all participants will not attend to consider and no authority in that transaction. They must be considered for the suitability, cost and condition such as the outsiders.

The examined committee present to the committee about related lists and conflict list of profit properly. Performances follow the regulation of stock exchange committee include disclosing on the financial report and the return forms 56-1.

When the committee and administrator include the partner or the children who did not reach their legal age have changed the property holder. Must to inform to the computer and report that changing follow the section 59 of Act of Parliament within 3 days from purchasing. And the administrator and departments that receive the data will not disclose the data to others within 1 month before disclose the budget to the public and after disclose that data at least 48 hrs to protect the illegal.

- Internal quality control

The committees provide the importance to internal control for administrator and efficiency performance. The internal control system is the main key to ensure and reduce the risk of business. Perform the business effectively by arranging the resource properly and complete the goals. They must also protect the property or illegal behavior and report the credible financial report. Then the company determines the duty, authority and written report clearly. Control the method to keep the property usefully and separate the duty of the controller and evaluator to balance and evaluate properly.

The company committee assign the examined committees response the proper and efficiently of administration system include arrange and review the internal control system. They are performance, financial report, regulation, policy and risk control. They must realize the warning in advance and unusually lists that the company have employed Ernst and Young cooperate service Ltd. who is the internal Audit from external to evaluate the internal control system. The company always follows the report and result that evaluate the control system at least 1 year per time to ensure the system will be efficiently

- Risk Management

The committee emphasize about the risk management and response to determine the administrated policy in overall image. The company determine the administrator who analysis the risk that may occur. Present to the committee acknowledge and suggest to limit the risk or manage the risk acceptably. If there are risk that is object for the business, the company must have the standard to manage these risk and support the culture organization. Improve the procedure of management and use the resource properly. Use the equipment to reduce the risk properly that may occur anytime.

Conversely, manage the business as system will provide the benefit to the business and increase the value for the organization.

3.) Committee Meeting

The committees determine the meeting date in advance every year. The committees also receive the letter and agenda at least 7 days before the meeting. Except there are the emergency situation and arrange the document that certify to refer and evaluate completely.

For the meeting, the president of committee and president of administration associate to determine and consider the agendas. The company provides the opportunity to present the issue for each committee. Each meeting arranges the meeting document in advance for the committee will have enough time to study.

The meetings proceed to provide the consideration and discussion properly. The committees are able to present the comments and issues in the meeting freely. Some occasions, the president may attend to meeting and provide the useful data more to arrange in the meeting completely. In the meeting, we must use the high points to decide the result in the meeting. If there are equal point vote, the president must vote for the issue for final decision.

All committee have their own right to evaluate the meeting document. If independent committee or examined committees have questions, the administrated committee must manage and answer the question completely.

In the case, the committees disagree to the resolution, the committees are able to order the secretary record in the meeting report or submit the meeting report to the president.

Each meeting, the secretary attends to the meeting and record the meeting report, then submit to the president to consider and sign completely to affirm the next meeting. The secretary who arranges the document and references for the committees attend the meeting as well. Except the committees hold the policy that the administrators have no opportunity to attend that will inform by themselves.

In 2018 and 2019, the company arranges the Board of Direct committee meeting for 5 times and 4 time that there are the detail in the meeting as follow;

Name	Position	2018	2019
1. Mr. Adisak Sukumvittaya	Chairman of The Board	5/5	4/4
2. Ms. Yuvadee Pong-Acha	Director	5/5	4/4
3. Mr. Piya Pong-Acha	Director	5/5	4/4

4. Mr. Reangchai Ingkaphakorn	Audit Committee	4/5	4/4
5. Mr. Kanchit Kawachat	Audit Committee	4/5	4/4
6. Mr. Somsak Atisaitrakul ^{2/}	Audit Committee	5/5	4/4
7. Mr. Sutthirak Trichira-aporn	Audit Committee	4/4	4/4

From meeting attendance statistic show that the directors of company attend the board of meeting more than 75% of total number of meeting in 2018.

The board of director receiver agenda and document 7 days before meeting date via email or document. Moreover, the company also set the meeting schedule in advance for meeting on yearly basis.

The composition of director has non-management 5 person from 7 person or 71 percent of the number of committee.

Executive Committee

The committees meeting arrange at least 4 times per year and they are able to call the meeting for important agenda. In 2018 and 2019, the Executive Committee meeting for 25 times and 19 times, the details of attendance of each director are as follows.

Name	Position	2018	2019
1. Ms. Yuvadee Pong-acha	Chairman of the Executive Director	14/25	19/19
2. Mr. Piya Pong-acha	Executive Director	25/25	19/19
3. Ms. Ladda Waroontharakul	Executive Director	20/25	19/19
4. Mr. Sutthirak Trichira-aporn	Executive Director	25/25	19/19
5. Mr. Wongsakorn Kittitrakulkarn	Executive Director	22/25	22/25
6. Ms. Waraporn Pornpitakyotin	Executive Director	14/25	19/19

Audit Committee

Audit committees meeting arrange at least 4 times per year and they are able to call the meeting for important agenda. Consider the written report for meeting and manage the system that can evaluate at the meeting at JMT Network Services Ltd. In 2018 and 2019 the Audit Committee meeting for 4 times and 4 times, the details of attendance of each director are as follows. Klm

Name	Position	2018	2019
1 Mr. Reangchai Ingkaphakorn	Chairman of Audit Committee	3/4	4/4
2.Mr. Kanchit Kawachat	Audit Committee	3/4	4/4
3.Mr. Somsak Atisaitrakul	Audit Committee	4/4	4/4

Nomination and Remuneration Committee

Nomination and Remuneration Committee consider the written report for meeting and manage the system that can evaluate at the meeting at JMT Network Services Ltd. In 2017 and 2018, the Nomination and Remuneration Committee arrange meeting for 5 times and 2 times, the details of attendance of each director are as follows.

Name	Position	2018	2019
1. Mr. Somsak Atisaitrakul	Chairman of the Nomination and Remuneration committee	2/2	2/2
2. Ms. Yuvadee Pong-Acha	Nomination and Remuneration committee	2/2	2/2
3. Mr. Piya Pong-Acha	Nomination and Remuneration committee	2/2	2/2

The number of meeting of nomination and remuneration committee is in line with the CG guideline or at least 2 time per year.

4.) Compensation

The company determines the reward policy as written form that has the clear process follows the present day to persuade and attend the officers properly. The process will support and develop the quality of business process as well. The company considers the profit, compensation and extra bonus that present the compensation to approve in the meeting and determine to disclose the compensation in financial report.

At the meeting of Year 2018 on 18 April 2018 approved the compensation of committee that provides the compensation the financial amount for 5,000,000 baht per year. The president and the examined committee receive the compensation as the committee of the company.

5.) Committee Development and Training

The committees have the supported policy and provide the practice and knowledge to associated system such as the committees who examine the administrator to improve the works continually. In the case, there is changing the committee must arrange the useful and company documents for the new committees as well.

The committees determine the regulation under the company's information as follow;

1. Administrated Committee and employees must maintain the secret or internal information of the company.
2. Administrated Committee and employees must not disclose the secret or internal information of the company. Don't disclose the profit to others directly or indirectly.
3. Administrated Committee and employees must not purchase the property of the company and also the internal information that use the secret of the company. This policy include with the

partner or children of the Administrated Committee and employees. If they violate the regulation, they are broken the law.

4. The company determines the way to maintain and protect the insider trading that disallow the administer committee and employees purchase the company's property within 1 month before disclose the 3 month budget report. That is for 48 hrs after the IT information is disclosed.
5. The administer committee and employees must report the purchasing and property to the company acknowledge as well.

Policy for Using of Insider Information

The company has the policy to protect the insider information to use. Especially the financial status of the company before disclose to the public. The company must limit the person who knows this insider information and arrange the knowledge for the administrator to realize the duty and responsibility include the family. It is also the punishment follows the property Act of Parliament in 2535 and the company determines the report changing the property holder to the committee for the section 59 of property Act of Parliament. The company determine to disallow the administrator acknowledge the insider information that contrast the section 241 of property Act of Parliament.

In addition, the regulation is about the company's tasks that determines to disallow the administrator and employees disclose the company's secret to others or publics. Disallow to use the insider information or position try to benefit from the company. Especially the administer committee and employees disallow to purchase the company's property within 1 month before disclosing the 3 months financial budget and financial report for 48 hrs. After the IT information will be disclosed.

Dividend Policy

The Company has a dividend policy and the subsidiaries to shareholders not less than 50 % of net profit after tax and legal reserved by considering the consolidated financial statements. The Board of Directors can authorize to exclude the implementation of policies or change it from time to time. Under conditions that the operation will cause best benefit to shareholders and its subsidiaries. Such as a reserve for loan repayment, investment to expand its business. Or in case of changes in market conditions that may affect the company's cash flow and its subsidiaries in the future

Number of Employee

The number of employees of the company in 2018 is 2,008 people and the year 2019 is equal to 2,023 people. Continue to develop manpower plans in line with business operations Under the fluctuation of economic conditions By giving priority to resource allocation at the point of increasing value Or necessary for investment

Anti-Corruption Policy

Since currently malpractice or corruption tends to increase while views of people in the society that corruption is perceived as a normal practice. In reality, the problem of corruption severely affects the society so that the company place high priority to anti-corruption actions. In the Meeting of the Board of Directors No. 6/2557 on 10th November 2014, the Board of Directors determined the anti-corruption policy as well as written guidelines which were approved by the Board of Directors, in order to announce the company's intention to resist all types of corruption and expect everyone in the organization to understand the same anti-corruption policy under the same policy as well as those who are related to the company acknowledges the company's intention to resist corruption.

Anti-corruption policy

Executive directors, employees and workers are not permitted to take any action that is related to all forms of corruption both directly or indirectly for the benefits of immediate family, friends and other persons regardless of being a receiver, a giver or a proposer of bribes which can be in monetary or non-monetary terms to a public agency or private companies that the company has conducted its business or made contact with. The anti-corruption policy should be strictly observed.

Duty and responsibilities of each agency

1. The Board of Directors is responsible for considering and approving the anti-corruption policy, and support any anti-corruption actions arising in the company so that everyone in the company realizes and is aware of the significance of the problem arisen from corruption. In case the Audit Committee has reported any corrupt actions that affect the company, the Board of Directors will be responsible for providing advice, suggestions, considering penalty and looking for solutions for the Chief Executive Officer.
2. The Audit Committee has the duty and responsibilities as follows:
 - 2.1 Consider the anti-corruption policy proposed by the Chief Executive Office and ensure that such policy is suitable for the business pattern, the company's environments and organizational culture, and propose to the Board of Directors for approval;
 - 2.2 Consider and review the appropriateness of the change in the anti-corruption policy obtained from the Chief Executive Officer, and propose to the Board of Directors for approval;
 - 2.3 Verify the internal control system report and the assessment of risks involved in corruption that the Internal Audit Division has proposed. This is to ensure that such system has the least risks of corruption occurring that affects the financial position and performance of the company. In addition, such system should be consistent with the business pattern of the company.
 - 2.4 Receive reports on corruption clues, that individuals in the organization are involved, examine the informed facts and propose the issue to the Board of Directors to jointly consider the penalty or look for solutions to the issue.

3. Internal Audit Division has the duty and responsibilities as follows:

- 3.1 Perform and ensure the duty and responsibilities follow the predetermined internal audit plan and propose the audit report, the internal control system and the assessments of corruption risks revealed from the internal control system examination to the Audit Committee for acknowledgement.
- 3.2 Perform work as assigned by the Audit Committee on the examination of corruption that relates to the organization in addition to the specified internal audit plan.
- 4. The Chief Executive Officer has the duty and responsibilities as follows:
 - 4.1 Formulate the anti-corruption policy and propose to the Audit Committee.
 - 4.2 Communicate with personnel in the organization and those related in order to acknowledge the anti-corruption policy.
 - 4.3 Revise the appropriateness of the anti-corruption policy to be consistent with the changing business environments or legal requirements, and propose to the Audit Committee. Assist the Audit Committee in investigating informed facts or tasks assigned by the Audit Committee on corruption investigation by delegating work to the capable management team.

Anti-corruption regulations

The company's directors, management and employees must strictly follow the anti-corruption policy and business ethics regardless of involving corruption directly or indirectly by:

1. Refrain from making any behaviors that indicate graft or offering a bribe to stakeholders in own responsibility either directly or indirectly in order to obtain benefits in a wrong way, as follows:

1.1 Do not receive or offer any gifts or souvenirs that are cash, cheques, bonds, gold, jewelry, real estate or any goods alike to related persons with whom the contact is made both in government and private agencies.

1.2 Do not receive any assets, goods, gifts, presents or other benefits that lead to omission of own duty. Before receiving gifts, one should examine to ensure compliance with relevant laws and the company's regulations. Goods or gifts exchanged in work should not have high prices and occasionally appropriate.

1.3 Do not offer any assets, goods, gifts or presents or other benefits as an incentive to decision making, or having influences such that a recipient is not following trade practices in the same way as other clients. Goods offered based on various occasions must not have excessive prices.

1.4 Do not act as a medium in offering money, assets, goods or other benefits to persons related to business, government agencies or any organizations in order to exchange for improper privileges or cause government officials to refrain from performing according to stipulated rules, regulations and legal practices.

2. With respect to procurement, it must be proceeded through procedures as specified by the company's regulations and must be transparent and accountable.

3. Expenses on entertainments and other expenses related to execution of contract can be carried out but at a reasonable and accountable manner.

4. Donations for charity must be carried out as follows:

4.1 Use of money or assets of the company to donate for charity must be carried under the name of the company only. The recipient of such donation for charity must be foundations, public charity organizations, temples, hospitals, infirmary or organizations for social purposes that are certified or reliable and accountable. The donation must follow the procedures specified in the company's regulations.

4.2 Personal donation for charity can be done but must not be related or cause any doubts of corruption for some benefits.

5. Use of money or assets of the company to support a project must be identified with the company's name only. The supporting amount must be paid with the objectives regarding the business, good image and reputation of the company. Disbursement of such amount must specify a clear objective and be provided with verifiable evidence and follow the procedures specified in the company's regulations.

6. Do not take any actions related to politics within the company, and do not use any resources of the company for such purposes. The company is an organization that adheres to political neutrality, encourages legal compliance and democracy, and does not have a policy to provide any assistance to any political party either directly or indirectly.

7. If any actions regarded within the scope of corruption or may lead to corruption that relates to the company either directly or indirectly are found, such actions must not be ignored or neglected, and should be reported to the Chief Executive Officer immediately or via trace notification channels specified in this policy.

8. Directors and executives must be aware of the importance of disseminating knowledge, providing advices in order to create understandings to senior officers regarding anti-corruption so that employees observe this anti-corruption policy. In addition, directors and executives should be a good model with respect to honesty, ethics and code of conduct.

Trace notification channels for corruption petition

The Audit Committee of the company shall be responsible for considering trace notification and petition on actions that may cause any doubts of corruption arising to the company, such notifications can be made through the following channels:

1. Through the company's website (business control: Petition subject); or
2. Through a telephone number 02-308-8079 (the management / the company's secretary);
or
3. Through Trace Box (located in the human resource division room)

Those who make petition must specify details of the issue whose trace to be notified, or petition as well as name, address and telephone numbers that can be contacted conveniently.

Those, who can report traces or make petition relating to corruption, are every group of stakeholders of the company including shareholders, customers, trade competitors, account payables, the government sector, communities, society, the company's executives and employees. Regardless of any channel of notification as mentioned above, the company shall keep your report confidential according to the protection and secrecy measure.

Protection and secrecy measure

In order to protect the right of petitioner and those who provide information with good intention, the company shall conceal the names of those who provide such information or any information that can identify the petitioner or information providers, and store such information confidentially. Only those responsible for examining petitions can access the information.

In case the petition is made to the Chief Executive Officer, the Audit Committee shall act to protect those who have reported the trace, or the witness petitioner and information providers to be used in investigating the facts, so as to ensure they do not get into trouble or any dangers or any unjust situations resulting from the trace notification, being witnesses or providing information by asking the petitioner to submit the petition directly to the Audit Committee.

The Chief Executive Officer is responsible for providing judgment to proceed as seen appropriate in protecting those who have reported the trace, or the witness petitioner and information providers to be used in investigating the facts, so as to ensure they do not get into trouble or any dangers or any unjust situations resulting from the trace notification, being witnesses or providing information.

The Chief Executive President can assign work to any executive to act on behalf in using judgment to give security protection order for those who have reported the trace or the witness petitioner and information providers. The assigned executive must not involve with the issue reported or the petition either directly or indirectly (for example, the accused is a direct senior line officer).

However, those, who receive the information on the petition from doing their related duty, are responsible to keep the information, petition and evidence documents of the petitioner and information providers as strictly confidential and do not disclose the information to others who do not have the related duty unless the information must be disclosed as stipulated in the relevant laws.

Dissemination of the anti-corruption policy

In order to ensure everyone in the organization acknowledge the anti-corruption policy, the company shall take actions as follows:

1. The company shall post the anti-corruption policy clearly in locations that everyone in the organization can read.
2. The company shall disseminate the anti-corruption policy through communication channels of the company such as E-mail, the company's website, and a report on annual disclosure of information.

3. The company shall arrange trainings on the anti-corruption policy to new employees.
4. The company shall revise the anti-corruption policy on an annual manner.

Corporate Social Responsibility

The Company has a policy to operate business with good corporate governance. We are well aware that the corporate social responsibility is important in doing business. The Company has initiate “Pun Rak Pun Num Jai Project” and Returning of Natural to the Society in 2013. By giving of study material, set of athletes, music instrument for children in school in rural area. The Company will pursue this project further in the futures. And to continue CSR program more intense and effective, the Company has stipulate the CSR guideline to be a practice guide for the Company.

1. Operate business with integrity
2. Anti-Corruption Policy
3. Respect of Human Right
4. Consumer Responsibility
5. Environment Responsibility
6. Social and Community Responsibility
7. CSR Innovation and sharing
8. Innovation and dissemination of innovations derived from operations that are responsible for society, environment and stakeholders

Activity; Fill the world with 4R by JMART group”

JMT Network Services Public Company Limited and Jaymart Group have created a project “Fill the world with 4R by JMART group” .To raise awareness, change behavior and engaging environmental awareness, and reduce waste and separation before discarding. The project has been launched for the project on 14 July 2019 with the management team and staff of JMT Network Services Public Company Limited and Jaymart Group participating in this event.



Related Transactions

During the years 2018 and 2019, The Company and its subsidiary had transactions between each other occurred, in accordance with the rules and determination procedures that is reasonable and the price or terms of the transaction that are fair, and at optimum benefit to the company and shareholders as a whole as transaction made with others to prevent a conflict of interest. As well as complying with the requirements of the Stock Exchange of Thailand. For details of such transaction are as follows

Unit: Million Baht

Related Parties	Item	2018	2019	Price and Condition
1. Jaymart Public Company Limited	Other Receivables	0.3	0.1	Market Rate
	Management Fee	19.1	46.0	As agreed rate
	Headquarters Rental	23.7	25.2	As agreed rate
	Training Expenses	0.3	0.2	As agreed rate
	Deposit Rental	4.9	4.9	Market Rate
	Adverting	0.1	0.2	Seller Determined Price
	Insurance Premium	0.7	0.9	As Insurance contract
	Dividend Paid	205.8	391.5	Shareholder and Board Approved
2. J Asset Management	Short Term Loan	2,275	4,150	
	Interest Received	78.6	128.9	As agreed rate
	Management Fee	18.0	33.4	As agreed rate
3. Jaymart Insurance Broker	Short-term loan	19.0	12.0	
	Interest Received	0.7	0.6	As agreed rate
4. JP Insurance Public Company Limited	Revenue from Insurance Broker	0.9	2.2	As agreed rate
	Other Services Fee	0.2	0.3	As agreed rate
	Insurance Premium	1.2	4.1	As Insurance contract
5. Jaymart Mobile Co., Ltd	Buy Asset	0.3	0.0	Market Rate
	Miscellaneous Expenses	0.3	0.1	Market Rate
	Other Revenues	0.2	5.5	Market Rate
	Insurance Premium	5.1	6.4	As Insurance contract
	Building Rental	-	0.6	As agreed rate
6. J Fintech Co., Ltd	Short-term Loan	330	295	
	Interest Received	172.8	11.9	As agreed rate
	Purchase Account Receivables	8.4	39.4	As agreed rate
	J-MONEY			
	Collection Revenues	32.4	32.2	As agreed rate
	Legal Fee	1.5	1.9	As agreed rate
	Agent fee for Referring Loan	9.0	1.5	As agreed rate
	Other income	-	0.4	
	Premium written	0.0	0.2	As Insurance contract
7. JAS Asset Public Company Limited	Rental	2.2	2.2	Market Rate
	Deposit Rental	0.8	0.8	Market Rate
	Asset under Sale Process	-	0.3	
	Insurance Premium	0.2	0.4	As Insurance contract

Related Parties	Item	2018	2019	Price and Condition
8. J Ventures Co., Ltd	Application Development	0.3	0.6	Agreed Rate
9. Singer Thailand Public Company Limited	Collection Revenues	0.2	0.0	Agreed Rate at Arm Length basis
	Purchase Account Receivables	21.4	0.3	Agreed Rate at Arm Length basis
	Premium written	5.3	0.9	As Insurance contract
10. SG Capital Co., Ltd	Purchased of Account Receivables	46.4	148.0	Agreed Rate at Arm Length basis
	Litigation Services Fee	-	0.2	
	Debt Tracking Revenues	27.2	18.4	Agreed Rate at Arm Length basis
11. SG Service Plus	Miscellaneous Expenses	0.4	0.3	Agreed Rate
	Buy Asset	0.7	1.5	Agreed Rate

Financial Statements

Responsibilities of the Board toward financial reports

Financial statements and consolidated financial statements of JMT Network Services Public Company Limited and subsidiary are prepared according to the Board's policy to have financial statements prepared according to generally accepted accounting standard. The Company selects appropriate accounting policies and practices them consistently and prudently. The Company provides adequate and transparent information disclosure in the notes attached to the financial statements to the best interest of investors and shareholders.

The Board has provided appropriate and efficient risk management and internal audit systems to ensure that the disclosed accounting information is accurate, complete and adequate to maintain assets and prevent any fraud or significant abnormality.

Therefore, the Board has formed Audit Committee to review accounting policies, quality of financial statements, quality of internal audit system, internal control, risk management system and information disclosure. The comment of Audit Committee can be found in the Report of the Audit Committee as shown in the Company's annual report.

Financial statements and consolidated financial statements have been audited by the Company's accounting auditor, EY Office Company Limited. During the review process, the Board has provided any necessary data and documents to enable accounting auditors to be able to audit and express comment according to the accounting standard. The accounting auditor's comments are found in the Report of the Accounting Auditor as shown in the Company's annual report.

The Board believes that the Company's internal audit system are in the satisfactory level and should ensure that the financial statements of JMT Network Services Public Company Limited and consolidated financial statements of JMT Network Services Public Company Limited and subsidiary for the accounting year ended 31 December 2019 are reliable and are prepared according to the generally accepted accounting principles and any relevant laws and regulations.



Mr. Adisak Sukumwittaya
(Chairman of The Board)

Audit Committee Report

Audit committee of JMT Network Services Public Company Limited consisting of 3 independent directors as follows.

1. Mr. Rerngchai	Ingkapakorn	Chairman of Audit Committee
2. Mr. Kanchit	Kawachart	Audit Committee
3. Mr. Somsak	Atisaitrakul	Audit Committee
Miss Chuleewan	Hawichit	Secretary of Audit Committee

The Audit Committee has performed work in accordance with the scope of responsibilities as assigned by the Board of Directors and as prescribed in the Audit Committee's Charter which is in compliance with those specified by The Stock Exchange of Thailand (SET): The Audit Committee's Qualification and Scope of Duties and Responsibilities B.E. 2551. The Audit Committee regularly reports the Committee's Minutes of Meeting to the Board of Directors. In 2019, a total of 3 Audit Committee's meetings were held with all members present in every meeting. The meetings were conducted to consider and proceed with the following matters:-

1. Review of financial reporting

The Audit Committee has reviewed the quarterly and annual financial statements for the year 2019 in collaboration with the auditor and the management. This is to give assurance that the Company's financial statements are in compliance with the Generally Accepted Accounting Principles according to the Accounting Act B.E. 2543 and the relevant notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand, and that the disclosure of information is made in an adequate, complete, timely and reliable manner which is beneficial to and supports decisions made by shareholders and general investors as well as aligns with applicable laws and notifications. The Audit Committee has also supported and monitored the compliance with the International Financial Reporting Standards (IFRS) in accordance with the guidelines specified by the Federation of Accounting Professions and the Office of Securities and Exchange Commission. In addition, in 2019 the Audit Committee held one meeting with the auditor without the participation of the management to ensure that the auditor independently performed his/her duties.

2. Review of the adequacy and appropriateness of internal control system

The Audit Committee has reviewed the adequacy and appropriateness of the internal control system by considering the reports of the Independent Internal Auditor and the external auditor. The auditor has mutually agreed that no significant operational faults were identified in 2019. In addition, the Audit Committee has considered the result of the evaluation of the internal control system of the Company

and its subsidiary as well as the questions used in the evaluation form prepared according to the guidelines specified by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the evaluation result for 2019, the internal audit function is independent and the internal control system of the Company is adequate, appropriate and effective.

3. Supervision of internal audit operations

The Audit Committee has considered and selected P&L Internal Audit Co., Ltd. to be an independent internal auditor for another year as well as approved the internal audit scope and plan for the year 2020 whereas the internal auditor shall report the result directly to the Audit Committee.

4. Review of the Company's compliance with the laws regarding securities and stock exchange, requirements of the Stock Exchange of Thailand or laws relevant to the Company's business The Audit Committee has reviewed if the Company has in place the processes to ensure that the operations are in compliance with the laws regarding securities and stock exchange, requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as laws relevant to the Company's business.

5. Connected transactions or transactions which may involve a conflict of interest

In 2019, the Company had a report connected transaction or transaction which may involve a conflict of interest prescribed by the Stock Exchange of Thailand regulations regarding the connected transactions and/or the acquisition or disposition of the Company's asset.

The Audit Committee has reviewed the Company's disclosure of information in the case of any connected transactions or transactions which may involve a conflict of interest to ensure that the information is correctly and completely disclosed in the notes to the annual and quarterly financial statements and that the transactions incurred are reasonable, beneficial to the Company and are in compliance with the business conditions and requirements of the Securities and Exchange Commission.

6. Consideration, selection and nomination of an independent person for appointment as the auditor of the Company

The Audit Committee has reviewed the operations of the auditor from EY Office Limited and opined that the auditor performed professional duties in an independent, impartial and timely manner, thoroughly understood the Company's business and has duly been granted approval from the Securities and Exchange Commission. It is therefore deemed appropriate that Mrs.Nongluck Poomnoi Auditor's License No. 4172, Ms.Rungnapa Lertsuwankul Auditor's License No. 3516, Ms.Ratana Jala Auditor's License No. 3734, Ms.Pimjai Manitkajohnkit Auditor's License No. 4521, Ms.Rosaporn Decharkom Auditor's License No. 5659, Ms.Sumana Punpongsanon Auditor's License No. 5872, Ms. Wanwilai Petsang Registration No.5315 of EY Office Limited should be nominated as the auditor of the Company for the

year 2019 and that the matter should be proposed to the Company's Board of Directors for consideration and further submission to the Meeting of Shareholders for approval.

7. Review of risk management

The Audit Committee has reviewed risk management operations with the management and the independent internal auditor and opined that the management has in place appropriate and adequate risk management.

8. Annual review and amendment of the Audit Committee Charter

The Audit Committee shall review the Audit Committee Charter to ensure that the past year's operations were undertaken completely as assigned and the duties and responsibilities were in alignment with the good practices by the Stock Exchange of Thailand.

9. The Audit Committee reported its work performance to the Board of Directors for acknowledgement at least once a quarter.

Based on the Audit Committee's performance of duties as mentioned above, the Audit Committee was of the opinion that the Company adopted an adequate and appropriate internal control system, that the Company put in place the appropriate procedures to ensure that the Company's operations are in compliance with relevant laws, and that the preparation and disclosure of information in the financial reports of the Company were correct, complete, reliable, and in a timely manner as well as disclosed connected transactions or transactions which may involve a conflict of interest in a correct and complete manner.



(Mr. Rerngchai Ingkapakorn)
Chairman of Audit Committee

Management Discussion and Analysis

Overview of the Company's performance and Important Factors Affecting the Operations

The 2019 performance for the debt management and collection business has been proven that JMT Network Services Public Company Limited ("JMT") is ranking as the number one in the country of debt management business for Non-Performing Loans (unsecured loan). It is due to the situation of household debt in the country that has been increasing in the past several years. Also, the change in accounting standards, which effective in 2020, affects the scheme of provision allowance for non-performing loans of financial institutions. However, it is considered a positive factor that shall enable the Company's operating performance to grow continually in the future.

2019 was considered the year that the Company had a remarkable performance and achieved the highest record for the third consecutive year, in terms of the cash collection of 3,204 million Baht, increase which was a result of the efficiency of collecting and the potential of the debt that the Company had invested in the past. The Company had a net profit of 681.3 million Baht, a growth from 2018 of 34.8 percent, which is the highest net profit since the Company was established for three years.

In 2019, the Company acquired non performing debt, both secure and unsecure loan, amount 28,933 million Baht (contractual value) with investment of 3,368 million Baht which divided to be almost the same proportion in the investment value of secure loan and unsecure loan. The Company selection to purchase non-performing loans mainly considered the return on investment to create profits to shareholders as well as to be the number one in the country conducting the non-performing debt management without collateral.

Summary of Comprehensive Income Statement

	2018		2019		YoY	
	Mio.	%	Mio.	%	Mio.	%
Revenue from Contracts with Customers	288.7	15.4%	363.7	14.4%	75.0	26.0%
Interest Income and dividend income	1,228.40	65.7%	1,294.50	51.3%	66.1	5.4%
Gains on loans receivable from purchase of account receivables	269.6	14.4%	655.7	26.0%	386.1	143.2%
Insurance Income	98.3	5.3%	210.6	8.3%	112.3	114.2%
Total Revenues	1,868.70	100.0%	2,524.60	100.0%	655.9	35.1%
Cost of Service	672.4	36.0%	875.4	34.7%	203.0	30.2%

	2018		2019		YoY	
	Mio.	%	Mio.	%	Mio.	%
Gross Profit	1,086.3	58.1%	1,413.0	56.0%	326.7	30.1%
Other Income	6.4	0.30%	11.8	0.5%	5.4	84.4%
Administrative Expenses	302.8	16.2%	394.1	15.6%	91.3	30.2%
Operating Profit	798.9	42.7%	1045	41.4%	246.1	30.8%
Financial Expenses	133.6	7.20%	206.2	8.2%	72.6	54.3%
Net Profit Attributable to Shareholders	505.5	27.1%	681.4	27.0%	175.9	34.8%

Income Statement Analysis

The total revenue of the Company in 2019 was 2,524.5 million Baht, increasing by 33.9 percent. The reason was due to the change in income as follows:

1. Revenues from interest and dividend and Profit from loans receivable from purchase of accounts receivable in 2019 totaling was 1,950.2 million Baht, an increase of 452.2 million Baht from 2018 or 30.2 percent as a result of efficiency in the collection combined with the quality of the non-performing debt that the Company bought during the past several years. Revenues from interest and dividend and Profit from loans receivable from purchase of accounts receivable was 77.2 percent of the total income. The Profit from loans receivable from purchase of accounts receivable which was the revenues from fully amortized bad debt portfolios exhibited a substantial increase in the past year due to the proportion of fully amortized bad debt portfolios increase last year.
2. Revenue from Contracts with Customers, mainly from Debt Collection Business, in 2019 was 363.7 million Baht, an increase of 75.0 million Baht from 2018 or 26.0 percent, with revenue from debt tracking services accounting for 14.4 percent of total revenue. This was due to the improved efficiency in debt collection and the management of non-performing debt of the Company has been trusted by financial institutions. The Company, therefore, could continually grow its income.
3. Income from insurance business in 2019 was 210.6 million Baht, increasing due to the Company had prepared the consolidated financial statements with its subsidiary, JP Insurance Public Company Limited.

Service Cost Analysis and Gross Profit

In 2019, the Company had the cost of services 875.4 million Baht, an increase of 203.0 million Baht from the previous year or 30.2 percent, which was an increase in personnel expenses, commission for debt collection, litigation cost and costs related to the insurance business.

As for the gross profit margin in the consolidated financial statements, it was found that in 2019 the Company had gross profits from a consolidated financial statement equal to 1,413.0 million Baht or equivalent to 56.0 percent, which was lower than the last year.

Administrative Expenses

In the year 2019, the Company had administrative expenses equal to 394.1 million Baht, an increase of 91.3 million Baht or 30.2 percent. Most of the increased administrative expenses were employee remuneration and write off.

Financial Expenses

The Company's financial costs in 2019 were equal to 206.2 million Baht, an increase of 72.6 million Baht from the previous year or 54.3 percent. The majority of the Company's debt in 2019 was the debentures acquired to purchase the non-performing loans from the financial institutions.

Net Profit

The Company had a net profit according to the consolidated financial statements in 2019 of 681.4 million Baht, an increase of 175.9 million Baht from 2018 or 34.8 percent, representing a net profit margin of 27.0 percent.

Financial Statements Analysis

	As of 31 Dec 2018		As of 31 Dec 2019		YoY	
	Mio.	%	Mio.	%	Mio.	%
Cash and Cash Equivalents	694.5	8.3%	316.7	3.1%	(377.8)	-54.4%
Reinsurance Assets	120.8	1.4%	207.6	5.7%	86.8	71.9%
Credit from Purchase of Receivables (Expected payment within 1 year)	470.8	5.6%	387.4	14.0%	(83.4)	-17.7%
Other Current Assets	1,024.4	12.2%	83.8	2.7%	(20.9)	-20.0%
Total Current Assets	2,310.6	27.6%	1,924.8	28.7%	(385.8)	-16.7%
Credit from Purchase of Receivables (Expected payment exceeding 1 year)	5,418.2	64.8%	7,533.2	74.3%	2,115.0	39.0%
Other Long-Term Investments	124.4	1.5%	134.0	1.3%	9.6	7.7%
Goodwill	273.8	3.3%	273.8	7.5%	-	0.0%
Other Non-Current Assets	236.5	2.8%	32.0	1.2%	20.8	185.7%
Total Non-Current Assets	6,052.8	72.4%	8,217.0	81.0%	2,164.2	35.8%
Total Assets	8,363.3	100.0%	10,141.7	100.0%	1,778.4	21.3%
Current Liabilities	1,654.1	19.8%	3,654.8	36.0%	2,000.7	121.0%
Debentures	2,706.2	32.4%	2,762.2	27.2%	56.0	2.1%

Non-Current Liabilities	3,242.4	38.8%	3,053.6	83.6%	(188.8)	-5.8%
Total Liabilities	4,896.5	58.5%	6,708.4	66.2%	1,811.9	37.0%
Total Shareholders' Equity	3,446.8	41.2%	3,433.3	33.9%	(13.5)	-0.4%

Assets

As of 31 December 2019, the Company had total assets of 10,141.7 million Baht, divided into current assets of 1,924.8 million Baht, representing 19 percent of total assets, and non-current assets of 8,217.0 million Baht, representing 81 percent of total assets. Compare with previous year, the Company total asset increased 1,778.4 million Baht or 21.3 percent increase. The major components of an increase were the Credit from Purchase of Receivables (Expected payment exceeding 1 year) which mainly was the bad debt purchased from financial institutions.

Liabilities

As of 31 December 2019, the Company had total liabilities of 6,708.4 million Baht, comparing to 2018, an increase of 1,811.9 million Baht or 37.0 percent. There were significant changes in 2019, namely the Company had issued new debentures and loan from financial institutions.

The debt to equity ratio and the interest-bearing debt to equity ratio as of 31 December 2019 were at 1.95 and 1.68 times respectively.

Liquidity

In 2019, the Company had a net decrease of cash and cash equivalents of 375.5 million Baht, divided into cash flow details for each activity as follows:

	2018	2019
Cash flow from operating activities	(897.6)	(1,435.8)
Cash flow from investing activities	(629.4)	(73.2)
Cash flow from financing activities	1,706.3	1,134.5
Net increase (decrease) in cash and cash equivalents	179.9	(375.5)

Cash flow from operating activities in 2019, the Company had net cash used in operating activities 1,435.8 million Baht, which was used to purchase the debt.

Cash flow from investing activities in 2019, the Company used cash from investment activities equal to 73.2 million Baht, which was used to purchase building and IT equipment.

Cash flow from financing activities 2019, the Company had net cash received from financing activities of 1,134.5 million Baht, mainly due to receiving cash flows from issuing debentures.

Factors and Operational Plan Affecting the Future Performance

The Company is committed to continually grow its earnings in 2020. In which factors are affecting future performance as follows:

1. For the situation of the NPLs market, the financial institutions have the direction to manage non-performing loans by increasing the write-off of non-performing loans and the direction of rising household debt.
2. IFRS 9: Financial instruments in which the Company involved in financial business must comply. With this standard, the method of revenue recognition of the Company shall change. Non-performing loans purchased from financial institutions, which are under IFRS9 standards, are considered to be purchased or originated credit loss impairment (POCI). The Company must estimate the cash flow from the said non-performing debt to calculate the effective interest rate that reduces the credit risk (Effective Interest Rate: EIR) to calculate the income that the Company can recognize in each period. The Company was on the period of evaluation the impact on Financial Statement in 2020 which the year of apply the account standard.
3. There is a better direction for the insurance business. JP Insurance Public Company Limited has a better direction from the adjustment of operating strategies and the proportion of underwriting, resulting in the rate of the insurance claim is decreased.

Auditing Fee

The Company and its subsidiaries' 2019 Auditing Fee paid to the auditors, personnel or business concerning the auditors or the office of the auditors from EY Office Limited in the previous year 2018 amounted for 3,000,000 Baht and year 2019 amounted for 5,636,600 Baht.

	(Unit: baht)	
Audit Fee	2018	2019
1. Audit Fee	1,630,000	1,750,000
For JMT Network Services PCL		
Subsidiaries	1,370,000	3,886,000
2. Other Expenses	Actual	Actual
Total	3,000,000	5,636,000

Independent Auditor's Report

To the Shareholders of JMT Network Services Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of JMT Network Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of JMT Network Services Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JMT Network Services Public Company Limited and its subsidiaries and of JMT Network Services Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of interest income from loans receivable from purchase of accounts receivable

The Group's accounting policy on revenue recognition is discussed in Note 4.1 to the financial statements. Interest income from loans receivable from purchase of accounts receivable recognised for the year of 2019 amounted to Baht 1,271 million, accounting for 50% of total revenue. I focused on the revenue recognition because such revenues were derived from a diverse range of retail customers, and revenue recognition was made based on the effective interest rate method which relies on the estimation of the age of debt collected. There is therefore a risk with respect to the amount of revenue recognition.

I have performed audit procedures on the Group's revenue recognition as follows:

- Assessing and testing the Group's IT systems and key internal controls relevant to the revenue cycle for interest income from loans receivable from purchase accounts receivable by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select and test the cash flow projections and the calculation of effective interest rate (EIR) to assess whether the recognition of interest income from loans receivable from purchase accounts receivable is in compliance with the Group's policy.

- On a sampling basis, examined supporting documents for actual cash receipt transactions occurring during each period and the effective interest rate (EIR) table used in the calculation of recognised revenue to verify the actual amount of cash received which was applied in the calculation to adjust the effective interest rate (EIR) accordingly.
- Performing analytical procedures on disaggregated data of interest income from loans receivable from purchase accounts receivable by identifying the revenue recognition ratio, and comparing the actual cash inflows with the projected cash inflows to detect possible irregularities in revenue transactions throughout the period.

Allowance for loan losses

As discussed in Notes 4.5 and 4.10 to the financial statements, the estimation of allowance for loan losses relies on various assumptions. Therefore, the management is required to exercise judgment in determining the basis and policy to be used in calculating the allowance for loans losses, the methodology for determining the allowance, the estimation of losses expected to be incurred when debtors are unable to repay principal and interest, and the timing of such recognition. As the amount of loan is significant to the financial statements, I focused my audit on the adequacy of the allowance for loan losses.

I have performed audit procedures on the allowance for loan losses as follows:

- Gaining an understanding of the procedures for estimating and recording the allowance for loan losses and assessing internal controls relevant to the approval of credit limits, debt collection, and the calculation and recording of allowance for loan losses.
- Assessing the basis and the policy used in estimating the allowance for loan losses and the method used in calculating the allowance for loan losses.
- Reviewing the completeness of data used in the calculation of the allowance and checked the correctness of the calculation of debtor aging and allowance for loan losses, and the accounting records.
- Performing analytical procedures on assumptions that the Group applied against historical data, checked the consistency of the application of such assumptions and evaluated the method used by the Group to estimate the allowance for each type of loan receivables.

Goodwill

As at 31 December 2019, the Group had goodwill presented in the financial statements in the amount of Baht 274 million. I focused my audit on the impairment of goodwill because the impairment assessment on goodwill is a significant accounting estimate requiring management to exercise judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated in the future and setting an appropriate discount rate and long-term growth rate.

I have assessed the identification of cash generating units and the financial models selected by management by

- Gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised.
- Testing the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the subsidiary and of the industry.
- Testing the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates.
- Reviewing the disclosures made with respect to the impairment assessment for goodwill, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Insurance contract liabilities - loss reserves and outstanding claims

As at 31 December 2019, the Group had loss reserves and outstanding claims amounted to Baht 233 million (presented as a part of insurance contract liabilities), representing 3% of total liabilities. Loss reserves and outstanding claims include both claims incurred and reported and claims incurred but not reported, which were calculated by the subsidiary's management using actuarial techniques. The key assumptions applied were based on historical data and required the management to exercise substantial judgement in estimating such reserves so I addressed the adequacy of loss reserves and outstanding claims as a key audit matter.

I have performed audit procedures on the subsidiary's loss reserves and outstanding claims account as follows:

- Assessing and testing the internal controls relevant to claims, loss adjustments, estimation of loss reserves and outstanding claims, by making enquiry of responsible executives regarding the criteria and assumptions used in the estimates made by the actuary.
- On a sampling basis, checked data used by the actuary in calculating loss reserves, performed random test on major claims file and performed analytical procedures on the frequency of claims and average loss per claim.
- Reviewing the actuarial report to assess whether it was consistent with the reserve recognised, and assessing the assumptions and methods used in the calculation of the reserves, randomly testing the data used and compared the assumptions to those used in the prior year.

Other information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Wanwilai Phetsang

Certified Public Accountant (Thailand) No. 5315

EY Office Limited

Bangkok: 26 February 2020

JMT Network Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	<u>Note</u>	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>31 December 2019</u>	<u>31 December 2018</u>
Assets					
Current assets					
Cash and cash equivalents	7	316,863,634	692,450,688	151,570,263	510,898,573
Deposits at banks with restrictions		2,280,532	2,082,350	-	-
Trade and other receivables	6, 8	161,037,605	112,928,647	34,841,208	81,628,720
Accrued income	6, 9	36,711,155	30,599,667	32,231,189	28,013,754
Premium receivables	6, 10	38,987,012	40,367,172	-	-
Reinsurance assets	11	207,632,185	120,844,870	-	-
Reinsurance receivables	12	37,910,621	26,602,591	-	-
Short-term investments	13	228,830,760	235,719,508	-	-
Current portion of hire purchase receivables		25,454	34,702	25,454	34,702
Current portion of loans to customers		732	471,798	732	471,798
Current portion of loans receivable from purchase					
of accounts receivable	14	387,370,555	470,820,083	269,407,651	334,867,211
Short-term loans to related parties	6	295,000,000	330,000,000	4,457,000,000	2,624,000,000
Refundable value added tax		32,325,897	69,084,885	-	36,758,988
Properties foreclosed	15	95,979,254	73,816,764	-	-
Other current assets	6, 16	83,806,610	104,731,407	19,759,726	34,700,991
Total current assets		<u>1,924,762,006</u>	<u>2,310,555,132</u>	<u>4,964,836,223</u>	<u>3,651,374,737</u>
Non-current assets					
Bank deposits - pledge as collateral		2,549,117	2,755,643	1,476,069	1,692,146
Loans receivable from purchase of accounts					
receivable - net of current portion	14	7,533,213,158	5,418,164,374	2,227,424,760	2,313,287,174
Investments in subsidiaries	17	-	-	1,789,221,785	1,356,597,570
Long-term investments	13	133,925,699	124,362,317	104,346,295	104,346,295
Equipment	18	136,324,386	122,460,562	123,150,112	106,121,327
Goodwill	17, 21	273,789,518	273,789,518	-	-
Computer software	19	26,975,577	24,330,200	20,378,933	18,544,799
Leasehold rights	20	48,562,615	50,283,523	48,562,615	50,283,523
Deferred tax asset	38	29,560,419	25,472,775	15,284,452	17,638,139
Other non-current assets	6	32,006,873	11,155,807	10,283,466	8,601,002
Total non-current assets		<u>8,216,907,362</u>	<u>6,052,774,719</u>	<u>4,340,128,487</u>	<u>3,977,111,975</u>
Total assets		10,141,669,368	8,363,329,851	9,304,964,710	7,628,486,712

The accompanying notes are an integral part of the financial statements.

JMT Network Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	22	647,850,000	-	647,850,000	-
Trade and other payables	6, 23	213,911,563	393,421,461	69,230,955	224,537,812
Short-term loans	22	197,082,229	-	197,082,229	-
Insurance contract liabilities	6, 24	421,567,930	311,757,389	-	-
Amounts due to reinsurers	25	119,187,385	71,101,886	-	-
Current portion of liabilities under					
finance lease agreements		168,851	159,750	-	-
Current portion of long-term loans	27	271,453,331	294,628,169	271,453,331	294,628,169
Current portion of debentures	6, 28	1,638,489,584	449,845,129	1,638,489,584	449,845,129
Income tax payable		99,923,030	100,430,549	12,008,325	17,052,163
Other current liabilities	6, 26	45,138,936	32,743,866	27,989,276	11,144,670
Total current liabilities		3,654,772,839	1,654,088,199	2,864,103,700	997,207,943
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion		256,713	425,564	-	-
Long-term loans - net of current portion	27	265,644,175	515,277,507	265,644,175	515,277,507
Debentures - net of current portion	6, 28	2,762,199,843	2,706,172,290	2,762,199,843	2,706,172,290
Provision for long-term employee benefits	29	4,460,610	3,570,488	1,880,680	1,288,487
Other non-current liabilities		21,052,786	16,980,720	15,557,315	12,978,246
Total non-current liabilities		3,053,614,127	3,242,426,569	3,045,282,013	3,235,716,530
Total liabilities		6,708,386,966	4,896,514,768	5,909,385,713	4,232,924,473

The accompanying notes are an integral part of the financial statements.

JMT Network Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Shareholders' equity					
Share capital	30				
Registered					
1,109,988,590 ordinary shares of Baht 0.5 each		554,994,295	554,994,295	554,994,295	554,994,295
Issued and fully paid up					
887,990,872 ordinary shares of Baht 0.5 each		443,995,436	443,995,436	443,995,436	443,995,436
Share premium		2,333,947,915	2,333,947,915	2,333,947,915	2,333,947,915
Treasury shares - ordinary shares	32	-	(13,146,212)	-	(13,146,212)
Premium on treasury shares - ordinary shares	32	643,090	192,796	643,090	192,796
Advance receipt of share subscription	30.5	9,640,618	-	9,640,618	-
Retained earnings					
Appropriated - statutory reserve	33	55,499,430	55,499,430	55,499,430	55,499,430
Unappropriated		554,314,127	574,941,811	554,314,127	574,941,811
Other components of shareholders' equity		(2,461,619)	131,063	(2,461,619)	131,063
Equity attributable to owners of the Company		3,395,578,997	3,395,562,239	3,395,578,997	3,395,562,239
Non - controlling interests of the subsidiaries		37,703,405	71,252,844	-	-
Total shareholders' equity		3,433,282,402	3,466,815,083	3,395,578,997	3,395,562,239
Total liabilities and shareholders' equity		10,141,669,368	8,363,329,851	9,304,964,710	7,628,486,712

The accompanying notes are an integral part of the financial statements.

Directors

JMT Network Services Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Revenue from contracts with customers	6, 34	363,703,827	288,674,802	358,967,617	281,042,433
Interest income and dividend income	6	1,294,542,768	1,228,380,434	806,506,523	644,281,766
Gains on loans receivable from purchase of accounts receivable		655,680,027	269,559,273	170,333,077	156,087,436
Insurance income	6, 35	210,634,325	98,277,315	-	-
Total revenues		2,524,560,947	1,884,891,824	1,335,807,217	1,081,411,635
Cost of services	6	(875,370,504)	(672,381,984)	(631,583,238)	(480,404,685)
Insurance expenses	6, 36	(236,156,585)	(109,989,392)	-	-
Gross profit		1,413,033,858	1,102,520,448	704,223,979	601,006,950
Gain (loss) on investment		14,382,546	(5,490,042)	-	-
Other income	6	11,796,741	4,642,690	39,575,640	19,236,590
Profit before expenses		1,439,213,145	1,101,673,096	743,799,619	620,243,540
Administrative expenses	6	(394,141,364)	(302,815,037)	(238,739,150)	(196,536,148)
Total expenses		(394,141,364)	(302,815,037)	(238,739,150)	(196,536,148)
Operating profit		1,045,071,781	798,858,059	505,060,469	423,707,392
Finance cost		(206,216,733)	(133,636,397)	(206,158,683)	(133,598,564)
Operating profit - net of finance cost		838,855,048	665,221,662	298,901,786	290,108,828
Share of gains from investments in subsidiaries	17.2	-	-	422,650,968	257,445,569
Profit before income tax expenses		838,855,048	665,221,662	721,552,754	547,554,397
Income tax expenses	38	(189,412,103)	(185,525,780)	(40,189,757)	(42,038,835)
Profit for the year		649,442,945	479,695,882	681,362,997	505,515,562
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(1,079,276)	484,474	-	-
Losses on change in value of available-for-sale investment - net of income tax		(2,751,643)	(35,586)	-	-
Share of other comprehensive income from investment in subsidiaries	17.2	-	-	(2,592,682)	464,901
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(3,830,919)	448,888	(2,592,682)	464,901
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains (losses) - net of income tax		(869,225)	270,605	-	-
Share of other comprehensive income from investment in subsidiary	17.2	-	-	(478,075)	148,833
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(869,225)	270,605	(478,075)	148,833
Total other comprehensive income for the year		(4,700,144)	719,493	(3,070,757)	613,734
Total comprehensive income for the year		644,742,801	480,415,375	678,292,240	506,129,296

The accompanying notes are an integral part of the financial statements.

JMT Network Services Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Profit attributable to:					
Equity holders of the Company		681,362,997	505,515,562	681,362,997	505,515,562
Non-controlling interests of the subsidiaries		(31,920,052)	(25,819,680)		
		<u>649,442,945</u>	<u>479,695,882</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		678,292,240	506,129,296	678,292,240	506,129,296
Non-controlling interests of the subsidiaries		(33,549,439)	(25,713,921)		
		<u>644,742,801</u>	<u>480,415,375</u>		
Earnings per share	39				
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht per share)		<u>0.77</u>	<u>0.60</u>	<u>0.77</u>	<u>0.60</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company (Baht per share)		<u>0.77</u>	<u>0.58</u>	<u>0.77</u>	<u>0.58</u>

The accompanying notes are an integral part of the financial statements.

JMT Network Services Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities				
Profit before tax	838,855,048	665,221,662	721,552,754	547,554,397
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	62,930,039	49,784,515	55,278,655	40,486,106
Bad debts and doubtful accounts (reversal)	11,644,376	(5,881,368)	(8,938,213)	(6,200,252)
Expenses from insurance contract liabilities	5,899,321	42,603,435	-	-
Losses on impairment of properties foreclosed	3,088,417	-	-	-
Unearned insurance premium reserves	29,075,201	(6,394,626)	-	-
Share of profit from investments in subsidiaries	-	-	(422,650,968)	(257,445,569)
Gains on sales of properties foreclosed	(10,474,043)	(5,034,730)	-	-
Losses on sales and written-off equipment and computer software	832,850	679,293	832,731	540,837
Losses on written-off withholding tax	885,957	-	-	-
Losses on revaluation of investment	3,786,215	2,628,603	-	-
Long-term employee benefit expenses	1,486,182	1,348,545	592,193	136,953
Interest incomes	(1,293,128,063)	(1,228,327,244)	(806,506,523)	(644,281,766)
Dividend income	(1,414,705)	(53,190)	-	-
Interest expenses	206,216,733	133,636,397	206,158,683	133,598,564
Loss from operating activities before changes in operating assets and liabilities	(140,316,472)	(349,788,708)	(253,680,688)	(185,610,730)
Operating assets (increase) decrease				
Restricted bank deposits	(198,182)	(1,242,009)	-	-
Trade and other receivables	45,162,856	(69,779,097)	46,787,512	(61,373,721)
Accrued income	(6,280,162)	(3,561,602)	(4,292,130)	(3,242,379)
Premium receivables	1,103,115	(6,643,263)	-	-
Reinsurance assets	(14,314,863)	(16,836,011)	-	-
Reinsurance receivables	(11,308,030)	(26,577,241)	-	-
Trading investments	20,327,160	(40,489,478)	-	-
Properties foreclosed	(872,000)	6,624,117	-	-
Refundable value added tax	36,758,988	-	36,758,988	-
Other current assets	20,028,841	(55,566,411)	14,865,023	(10,152,720)
Hire purchase receivables	1,888,265	574,246	1,888,265	574,246
Loans to customers and accrued interest receivables	1,624,008	3,979,918	1,624,008	3,979,918
Loans receivable from purchase of accounts receivable	(2,354,207,111)	(1,359,033,639)	169,009,027	(344,519,441)
Other non-current assets	(2,741,066)	519,084	(1,682,463)	(1,086,437)
Operating liabilities increase (decrease)				
Trade and other payables	(574,184)	13,979,238	(172,126,033)	18,376,379
Insurance contract liabilities	2,363,566	(12,296,455)	-	-
Amounts due to reinsurers	48,085,499	24,384,902	-	-
Other current liabilities	12,395,070	2,254,226	16,844,606	3,682,108
Paid for long-term employee benefit	(1,465,286)	(532,030)	-	-
Other non-current liabilities	4,072,066	4,656,057	2,579,069	2,643,583
Cash flows used in operating activities	(2,338,467,922)	(1,885,374,156)	(141,424,816)	(576,729,194)
Cash received from interest	1,293,296,737	1,229,894,799	806,581,218	646,604,921
Cash paid for interest expenses	(195,661,833)	(118,046,764)	(195,603,783)	(118,008,931)
Cash paid for corporate income tax	(195,012,942)	(124,095,205)	(42,879,908)	(27,957,183)
Net cash flows from (used in) operating activities	(1,435,845,960)	(897,621,326)	426,672,711	(76,090,387)

The accompanying notes are an integral part of the financial statements.

JMT Network Services Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities				
Decrease (increase) in restricted banks deposits pledge as collateral	206,526	(809,458)	216,077	(790,611)
Decrease (increase) in short-term loans to related parties	35,000,000	(330,000,000)	(1,833,000,000)	(1,073,000,000)
Cash paid for investment in a subsidiary	-	(19,658,190)	(10,000,000)	(407,234,321)
Cash receipt from return capital of investment in subsidiary	-	-	10,552,500	-
Cash receipt from sales of equipment	2,860	10,400	2,841	-
Acquisition of plants, equipment and computer software	(80,291,078)	(86,111,477)	(74,873,724)	(72,354,985)
Acquisition of leasehold rights	-	(41,655,535)	-	(41,655,535)
Increase in short-term investment	(17,224,627)	(131,335,330)	-	-
Increase in long-term investment	(12,308,245)	(19,864,970)	-	-
Cash receipt from dividend income	1,414,705	53,190	-	-
Net cash flows used in investing activities	(73,199,859)	(629,371,370)	(1,907,102,306)	(1,595,035,452)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	650,000,000	-	650,000,000	-
Decrease (increase) in short-term loans	200,000,000	(140,000,000)	200,000,000	(140,000,000)
Cash receipt from long-term loans	-	400,000,000	-	400,000,000
Cash paid for long-term loans	(273,160,000)	(86,080,000)	(273,160,000)	(86,080,000)
Proceeds from the issuance of debentures	1,698,000,000	1,074,700,000	1,698,000,000	1,074,700,000
Repayment for debentures	(450,000,000)	(100,000,000)	(450,000,000)	(100,000,000)
Cash paid for transaction costs	(11,866,727)	(6,204,152)	(11,866,727)	(6,204,152)
Advance receipts of shares subscription	9,640,618	943,082,159	9,640,618	943,082,159
Treasury shares	13,596,506	(12,953,416)	-	-
Repayment of liabilities under finance lease agreements	(159,750)	(286,408)	-	-
Cash paid for dividend	(701,512,606)	(365,894,016)	(701,512,606)	(365,894,016)
Net cash flows from financing activities	1,134,538,041	1,706,364,167	1,121,101,285	1,719,603,991
Differences on translation of financial statement	(1,079,276)	484,474	-	-
Net increase (decrease) in cash and cash equivalents	(375,587,054)	179,855,945	(359,328,310)	48,478,152
Cash and cash equivalents at beginning of year	692,450,688	512,594,743	510,898,573	462,420,421
Cash and cash equivalents at end of year (Note 7)	316,863,634	692,450,688	151,570,263	510,898,573
	-	-	-	-

Supplemental cash flows information:
Non-cash items consist of

Purchase of non-performing accounts receivable from financial institutions by installments not affecting the cash flows	121,208,635	305,139,418	11,866,048	161,490,990
Purchase of equipment and computer software recorded as liabilities	-	1,737,036	-	1,617,486
Properties foreclosed transferred from receivables for debt settlement	14,257,795	60,293,626	-	-
Other receivables from auction	128,920,000	17,410,000	-	-
Transferred value added tax refund to refundable value added tax	-	6,616,545	-	-
Written-off bad debts	12,985,483	41,868,208	-	41,868,208
Purchase of asset under finance lease agreement	-	658,000	-	-

The accompanying notes are an integral part of the financial statements.

JMT Network Services Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements											
	Equity attributable to owners of the Company										
	Other components of equity										
	Other comprehensive income										
	Exchange differences on translation of financial statements in foreign currency										
					</						

The accompanying notes are an integral part of the financial statements.

JMT Network Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements							Other components of equity	
	Issued and fully paid-up share capital	Premium on ordinary shares	Treasury shares	Premium on treasury shares	Advance receipt of share subscription	Retained earnings		Share of other comprehensive income	Total shareholders' equity
						Appropriated	Unappropriated		
Balance as at 1 January 2018	379,976,470	1,260,926,023	-	-	193,988,699	44,400,000	446,270,862	(333,838)	2,325,198,216
Profit for the year	-	-	-	-	-	-	505,515,562	-	505,515,562
Other comprehensive income for the year	-	-	-	-	-	-	148,833	464,901	613,734
Total comprehensive income for the year	-	-	-	-	-	-	505,664,395	464,901	506,129,296
Issuance of ordinary shares from exercise of warrant (Note 30.1, 30.2 and 30.3)	64,018,966	1,073,021,892	-	-	(193,958,699)	-	-	-	943,082,159
Treasury shares (Note 32)	-	-	(13,146,212)	192,796	-	-	-	-	(12,953,416)
Dividend paid (Note 42)	-	-	-	-	-	-	(365,894,016)	-	(365,894,016)
Appropriated retained earnings to statutory reserve	-	-	-	-	-	11,099,430	(11,099,430)	-	-
Balance as at 31 December 2018	443,995,436	2,333,947,915	(13,146,212)	192,796	-	55,499,430	574,941,811	131,063	3,395,562,239
Balance as at 1 January 2019	443,995,436	2,333,947,915	(13,146,212)	192,796	-	55,499,430	574,941,811	131,063	3,395,562,239
Profit for the year	-	-	-	-	-	-	681,362,997	-	681,362,997
Other comprehensive income for the year	-	-	-	-	-	-	(478,075)	(2,592,682)	(3,070,757)
Total comprehensive income for the year	-	-	-	-	-	-	680,884,922	(2,592,682)	678,292,240
Issuance of ordinary shares from exercise of warrant (Note 30.5)	-	-	-	-	9,640,618	-	-	-	9,640,618
Treasury shares (Note 32)	-	-	13,146,212	450,294	-	-	-	-	13,596,506
Dividend paid (Note 42)	-	-	-	-	-	-	(701,512,606)	-	(701,512,606)
Balance as at 31 December 2019	443,995,436	2,333,947,915	-	643,090	9,640,618	55,499,430	554,314,127	(2,461,619)	3,395,578,997

The accompanying notes are an integral part of the financial statements.

JMT Network Services Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

1. General information

JMT Network Services Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Jay Mart Public Company Limited, which was incorporated in Thailand, is the parent company. The Company is engaged in debts collection services, purchase of non-performing accounts receivable for debts management and collection. The registered office of the Company is at 187, Jaymart Building, 4 - 6th floor, Ramkhamhaeng Road, Rat Phatthana Sub - District, Saphan Sung District, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of JMT Network Services Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 (Percent)	2018 (Percent)
JAYMART INSURANCE BROKER CO., LTD.	Insurance broker	Thailand	99.99	99.99
J Asset Management Company Limited	Asset management	Thailand	99.99	99.99
JMT (CAMBODIA) CO., LTD.*	Debts collection services	Cambodia	100.00	100.00
JP Insurance Public Company Limited	Non-life insurance	Thailand	55.00	55.00

* Being liquidation process.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary company is translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
 - f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries under the equity method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

TFRS 4 (revised 2018) Insurance contracts

This standard provides an additional option to insurers that meet certain criteria stipulated in the standard, whereby they can be temporarily exempted from adoption of certain measures under TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which applicable for the financial reporting period beginning in or after 1 January 2020, and can instead adopt the Thai Accounting Guidance applicable for insurance business related to financial instruments and disclosures for the financial reporting period beginning before 1 January 2022 or before the effective date of TFRS 17 Insurance Contracts (when issued).

This standard does not have any significant impact on the financial statements of the Group.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance businesses

Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business was issued to comply with TFRS 4 (revised 2018) Insurance contracts, which allows insurers who meet certain criteria stipulated in TFRS 4 to delay adoption of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which are applicable for the financial reporting period beginning on or after 1 January 2020, and to adopt the Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead.

This accounting guidance has some differences from TFRS 9, with the significant differences being as described below.

- Classification and measurement of financial assets: These are to be classified as trading securities, available-for-sale securities, held to maturity debt securities, and loans and receivables, with no requirement to take into account the assessment of the Company's business model and the characteristics of the contractual cash flows.
- Losses on impairment, gains or losses on derecognition, and gains and losses on fair value hedges for available-for-sale equity securities items are to be recognised in profit or loss.
- The embedded derivatives in financial assets that are hybrid contracts are to be separated from host contract if they meet all criteria for separation.

In addition, the accounting guidance has some differences from TFRS 7 with respect to disclosures.

The subsidiary's management has decided that, even though the subsidiary company meets the criteria stipulated in TFRS 4, enabling it to use Thai Accounting Guidance, it would be more appropriate to adopt Financial reporting standards related to financial instruments.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Classification and measurement of investments in available-for-sale equity securities - the Group's available-for-sale investments in listed equity securities are measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gain (or loss) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred.

The management of the Group is currently evaluating the impact of the financial reporting standards related to financial instruments on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 108.2 million (the Company only: approximately Baht 80.2 million) and the Group's liabilities by approximately Baht 108.2 million (the Company only: approximately Baht 80.2 million).

4. Significant accounting policies

4.1 Revenue recognition

a) Services income from debts collection and others

Services income from debts collection and others are recognised as income on an accrual basis based on the agreed rate, when service is rendered to customers.

b) Interest income consisted of the following:

Interest income from loans receivable from purchase of accounts receivable

Interest income from loans receivable from purchase of accounts receivable are recognised by using effective interest method (expected rate of return on debts collection calculated based on estimated cash inflows from debtors or collateral value). Interest income from loans receivable from purchase of accounts receivable are calculated by multiplying effective interest rate by cost of outstanding loans receivable from purchase of accounts receivable. The Group will recognise interest income from loans receivable from purchase of accounts receivable with the amount not exceeding the amount received from debtors for receivables that were settled during the year.

In case of the Group received repayments from purchased accounts receivable in the amount that exceeded interest income from loans receivable from purchase of accounts receivable recognised during the year, the excess will be deducted from cost of loan receivable from purchase of accounts receivable.

Interest income from hire purchase receivables and loans to customers

The Company recognised interest income from hire purchase and loan to customers as income on accrual basis based on the effective interest rate over the period of the agreements. The Company ceases recognising interest income from hire purchase and loans to customer agreement on an accrual basis when agreement receivables have been overdue for more than 3 installment periods.

In case there is an indication of receivables' inability to repay, income recognition will be ceased immediately.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

c) Gain on loans receivable from purchase of accounts receivable

The Group will recognise gain on loans receivable from purchase of accounts receivable when repayment received from receivables exceeds cost of loans receivable from purchase of accounts receivable and interest income from loans receivable from purchase of accounts receivable recognised in profit or loss.

d) Penalty income, follow up fee from hire purchase receivables and loans to customers contracts.

Penalty income, follow up fee from hire purchase receivables and loans to customers contracts are recognised as revenues upon receipt of payment from customers.

e) Insurance premium income

Insurance premium income consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policyholders.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than one year, related premium is recorded as "premium received in advance", and recognised as income over the coverage period each year.

Reinsurance premium is recognised as income when the reinsurer places the reinsurance application or the statement of accounts with the subsidiary.

f) Fee and commission income

Fee and commission income from reinsurers are recognised when the insurance risk is transferred to another insurer.

Fee and commission income from reinsurers with coverage periods longer than 1 year are recorded as unearned items and recognised as income over the coverage period each year.

g) Insurance brokerage income

Insurance brokerage income is recognised on the date the insurance policy comes into effect, net of discount, and services have been completed.

h) Dividends

Dividends are recognised as revenue when the right to receive the dividends is established.

i) Gains (loss) on investment

Gains (loss) on investment is recognised as revenue or expense on the transaction date.

4.2 Expenses recognition

a) Premium ceded to reinsurers

Premiums ceded to reinsurers is recognised as expenses when the insurance risk is transferred to another reinsurance company under relevant direct policy.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepayment item and recognised as expenses over the coverage period each year.

b) Claim and loss adjustment expenses

Claim and loss adjustment expenses consist of claim and loss adjustment expenses of direct insurance and reinsurance for both reported claim and not reported claim, and include the amounts of the claims, related expenses, and loss adjustments of current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from related reinsurers.

Claim recovery from reinsurers is recognised when recording of claim and loss adjustment expenses in related with reinsurance contract.

Claim and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claim notified by the insured and estimates made by the subsidiary's management. The maximum value of claim estimated shall not exceed the sum-insured under the relevant policy.

Claim and loss adjustment expenses of reinsurance are recognised as expenses when the reinsurer places the loss advice with the subsidiary.

c) Commission and brokerage expenses

Commission and brokerage expenses are expended when incurred.

Commission and brokerage paid for policies with coverage periods of longer than 1 year are recorded as prepayment item and recognised as expenses over the coverage period each year.

d) Other underwriting expenses

Other underwriting expenses are other insurance expenses for both direct and indirect expenses, including contributions, which are recognised as expenses on an accrual basis.

e) Interest expenses

Interest expenses are charged to expenses on an accrual basis. Interest on notes payable included in the face value is recorded as deferred interest and amortised to expenses evenly throughout the term of the notes.

f) Fees and service expenses

Fees and service expenses are recognised as expenses on an accrual basis.

4.3 Classification of insurance contracts

The subsidiary classifies the insurance contract and reinsurance contract based on the nature of the contract. An insurance contract is one under which the insurer has accepted significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the subsidiary classifies it as an investment contract. Investment contracts are insurance contracts in legal form that transfer significant financial risk but not significant insurance risk. Financial risk is the risk of a possible future change in interest rate, foreign exchange rate and index of price or rates.

The subsidiary classifies contracts based on an assessment of the insurance risk at an inception of contract on a contract-by-contract basis. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, unless all rights and obligations are extinguished or expire. If any contract is previously classified as an investment contract at an inception date, it can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Trade accounts receivable, hire purchase receivables, loans to customers and allowance for doubtful accounts

a) Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

b) Hire purchase receivables

Hire purchase receivables are presented amount net of unearned interest income and allowance for doubtful accounts. The Company provided allowances for doubtful accounts based on receivables aging report which is calculated from hire purchase receivables, after the deduction of unearned interest income and collaterals. The collaterals are calculated at the rate of 15% - 75% of cash price as at the agreement date, by considering the probability of collection from debtors and selling of collaterals.

The Company set allowance for doubtful accounts at the rate as follows:

Aging	Percentage of allowance for doubtful accounts (percentage)
Not yet due and overdue 1 period	1
Overdue 2 - 3 periods	2
Overdue 4 - 6 periods	20
Overdue 7 - 12 periods	50
Overdue more than 12 periods	100

In the event that the receivables are unable to settle debts, the Company will write them off from the accounts in full. Bad debt recovery amounts are to be recognised as income in profit or loss when the Company receives payments from the receivables that have been written off from the accounts.

c) *Loans to customers*

Loans to customers are initially recognised at an amount equal to the net investment.

The Company set allowance for doubtful accounts for loan receivables using the rate as follows:

Aging	Percentage of allowance for doubtful accounts (percentage)
Not yet due and overdue 1 period	1
Overdue 2 - 3 periods	2
Overdue 4 - 6 periods	100
Overdue 7 - 12 periods	100
Overdue more than 12 periods	100

In the event that the receivables are unable to settle debts, the Company will write them off from the accounts in full. Bad debt recovery amounts are to be recognised as income in profit or loss when the Company receives payments from the receivables that have been written off from the accounts.

4.6 Premium receivables and allowance for doubtful accounts

Premium receivables from direct insurance are stated at net realisable value. The subsidiary set up an allowance for doubtful accounts based on the estimated loss that may incur in collection of the premium due, on the basis of collection experiences and a review of current status of the premium receivables as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recognised as expenses during the year.

4.7 Reinsurance assets

Reinsurance assets consist of insurance reserve refundable from reinsurers which is estimated based on the related reinsurance contract of loss reserve and outstanding claim in accordance with the law regarding insurance reserve calculation and unearned premium reserves.

When indicator of impairment incurred, the subsidiary records allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting period.

Increase (decrease) in allowance for doubtful accounts is recognised as expenses during the year.

4.8 Receivables from reinsurance contracts and amount due to reinsurers

- a) Receivables from reinsurance contracts consist of the outstanding balance of amount due from reinsurers and amount deposit on reinsurance.

Amounts due from reinsurers consist of inward premium receivable, accrued commission and brokerage income, claims and various other items receivable from reinsurers, less allowance for doubtful accounts. The subsidiary records allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers at the end of the reporting period.

- b) Amounts due to reinsurers consist of the outstanding balance of amount due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums, and other items payable to reinsurers, excluding loss reserve and outstanding claims.

The subsidiary presents net of reinsurance to the same entity (receivables from reinsurance contracts or amounts due to reinsurers) when the following criteria for offsetting are met.

- (1) The subsidiary has a legal right to offset amounts presented in the statements of financial position, and
- (2) The subsidiary intends to receive or pay the net amount recognised in the statements of financial position, or to realise the asset at the same time as it pays the liability.

4.9 Investments

- a) Investment in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Change in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment (if any).
- e) Investments in subsidiaries are accounted for in the separate financial statements using equity method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association and the fair value of unit trust is determined from its net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.10 Loans receivable from purchase of accounts receivable

The loan receivable from purchase of accounts receivable represent the Group's purchased non-performing receivables of financial institutions and credit service companies from bidding for debts management and collection. Under the purchase contracts of non - performing receivables, the Group takes all the risks in the collection without recourse. Such loan receivable from purchase of accounts receivable are presented at purchase cost less allowance for impairment (if any). The Group recognises loss on impairment of loan receivable from purchase of accounts receivable when the present values of estimated cash flows from repayment of debtor or selling collaterals are lower than carrying value.

4.11 Property foreclosed

Property foreclosed is stated at the lower of cost, including transfer expenses, or net realisable value, which is determined with reference to the latest appraisal value less estimated selling expenses.

Gains on disposal of property foreclosed are recognised as income in profit or loss in the statements of comprehensive income on the disposal date.

4.12 Equipment/Depreciation

Equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of equipment is calculated by reference to their cost, on the straight-line basis over the following estimated useful lives:

		<u>Useful lives</u>
Office equipment	-	3 - 5 years
Office furniture	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on assets under construction.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of equipment is included in profit or loss when equipment is derecognised.

4.13 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 years
Leasehold rights	30 years

4.14 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.15 Insurance contract liabilities

Insurance contract liabilities consist of loss reserves, outstanding claims and premium reserves.

a) Loss reserve and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the subsidiary's management. The maximum value of claims estimate shall not exceed the sum-insured of the related insurance policies.

Claims reserve were calculated by using an actuarial method based on a best estimate of the claims, that are expected to be paid in respect of loss that occurred before or as at the reporting date, covering both reported and not reported loss and including claims handling expenses, after deducting salvage values and other recoverable values. Differences between the calculated claim reserves and the claims already recognised are recorded as incurred but not reported claims (IBNR).

b) Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risk reserve.

(1) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	- Monthly average basis (the one- twenty fourth basis)
Bail bond	- 70% of net premium written for the case has not yet been finalised

Unearned premium reserve of reinsurance is calculated based on ceded premium for reinsurer as the same method with direct insurance that transfer insurance risk to reinsurer throughout the period of insurance coverage.

(2) Unexpired risk reserve

Unexpired risk reserve is the reserve for the future claims and related expenses that may be incurred in respect of in-force policies. Unexpired risk reserve is set aside using an actuarial method, at the best estimate of the claims that are expected be incurred during the remaining period of coverage, based on historical claims data.

As at the end of reporting period, the subsidiary compares the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised and the unexpired risk reserve is presented in the financial statements. However, the increase or decrease in unearned premium reserves from prior year is to be recognised in profit or loss.

4.16 Related persons and parties transactions

Related persons and parties comprise individuals or enterprises that control, or are controlled by the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.17 Long-term leases

Leases of building and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of building and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.18 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.19 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in profit or loss.

4.20 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The increased carrying amount of asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.21 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs

4.22 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.23 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognised deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts for trade receivables and loans receivable from purchase of accounts receivable

In determining an allowance for doubtful accounts for trade receivables and loans receivable from purchase of accounts receivable, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts, collateral value and the prevailing economic condition.

Allowance for doubtful accounts for hire purchase receivables and loans to customers

In determining an allowance for doubtful accounts for hire purchase receivables and loans to customers, the management has estimated the percentage of the allowance for doubtful accounts for each age of receivable on the basis of historical statistical data, assessment of the risk associated with the receivable, the nature of the collateral provided, and actual losses arising from such debtors in the past, while emphasising the principal of conservatism.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of investments

The Group treats investments in available-for-sale and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Allowance for impairment of properties foreclosed

The subsidiary assesses allowance for impairment of properties foreclosed when net realisable value falls below the book value. The management uses judgement to estimate impairment losses, taking into consideration the latest appraisal value, the type and the nature of the assets.

Equipment and depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Estimated cash in flows from loans receivable from purchase of accounts receivable

The Group estimates future cash collection from loans receivable from purchase of accounts receivable based on quality, type, aging of receivables and historical information of debt collection. The Group assess the periods of collection of loans receivable from purchase of accounts receivable for 12 years.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Loss reserves and outstanding claim

At the end of each reporting period, the subsidiary has to estimate loss reserves and outstanding claims taking into account two factors. These are the claims incurred and reported, and the claims incurred but not reported (IBNR). The ultimate loss of outstanding claims is established using a range of standard actuarial claims projection techniques. The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, loss incurred and paid, average costs per claim and claim numbers etc. Nevertheless, the estimation requires the management's judgements reflecting the best estimates available at that time. Such estimates are forecasts of future outcomes, and actual results could differ.

Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims and related expenses expected to be paid over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgement, with reference to historical data and the best estimates available at the time.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The subsidiary has contingent liabilities as a result of litigation. The subsidiary's management has used judgement to assess the results of the litigation and believes that the loss incurred will not exceed the recorded amounts as at the end of the reporting period.

6. Related party transactions

The relationships between the Company and its related parties are summarised below.

Companies	Relationship
Jay Mart Public Company Limited	Parent company
JAYMART INSURANCE BROKER CO., LTD. (formerly known as "Jay Insurance Broker Company Limited")	Subsidiary company
J Asset Management Company Limited	Subsidiary company
JMT (CAMBODIA) CO., LTD.*	Subsidiary company

JP Insurance Public Company Limited Subsidiary company

Companies	Relationship
J Fintech Co., Ltd.	Related company (common shareholders and directors)
JAS Asset Public Company Limited	Related company (common shareholders and directors)
Jaymart Mobile Co., Ltd.	Related company (common shareholders and directors)
J & P (Thailand) Company Limited*	Related company (common shareholders and directors)
T.A.S. Assets Company Limited	Related company (common shareholders and directors)
Singer Thailand Public Company Limited	Related company (common shareholders and directors)
J Ventures Co., Ltd.	Related company (common shareholders and directors)
SG Capital Co., Ltd.	Related company (common shareholders and directors)
SG Service Plus Co., Ltd.	Related company (common shareholders and directors)
SG Broker Co., Ltd.	Related company (common shareholders and directors)

* Liquidation/being liquidation process

During the years, the Group had significant business transactions with related persons or parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related persons or parties.

	Consolidated		Separate		(Unit: Thousand Baht)
	financial statements		financial statements		Transfer Pricing Policy
	2019	2018	2019	2018	
<u>Transactions with parent company</u>					
Insurance income	890	660	-	-	According to term of underwriting agreements
Administrative expenses	46,034	19,098	45,790	19,098	Mutually agreed rate
Office rental and services expenses	25,158	23,661	19,274	17,932	Mutually agreed rate
Advertising expenses	120	126	-	-	As agreed by supplier
Miscellaneous expenses	157	21	34	20	As agreed by supplier
Seminar expenses	212	254	212	230	Mutually agreed rate

Dividend paid	391,519	205,805	391,519	205,805	As declared with normal investor (Unit: Thousand Baht)
	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Management income	-	-	33,360	18,000	Mutually agreed rate
Service income from debt collection	-	-	80	-	Mutually agreed price
Other services income	-	-	960	251	Mutually agreed rate
Interest income	-	-	129,516	79,259	Mutually agreed rate
Insurance premium expenses	-	-	2,344	207	According to term of underwriting agreements
Miscellaneous expenses	-	-	2	-	As agreed by suppliers
Purchase of assets	-	-	-	851	As agreed by suppliers
<u>Transactions with related parties</u>					
Services income from debts collection	50,628	59,774	50,628	59,774	Mutually agreed price
Litigations income	2,093	1,570	2,093	1,570	Mutually agreed price
Commission income from loans agents	1,507	8,957	1,507	8,957	Mutually agreed price
Other services income	5,893	744	5,887	290	Mutually agreed price
Insurance income	8,018	10,797	-	-	According to term of underwriting agreements
Interest income	11,120	8,378	11,120	8,378	Mutually agreed rate
Office rental and services expenses	3,756	2,459	1,743	1,144	Mutually agreed price
Purchase of loans receivable	174,240	240,495	174,240	240,495	Mutually agreed price
Sales promotion expenses	116	-	-	-	Mutually agreed rate
Debts collection expense	-	97	-	97	Mutually agreed price
Advertising expenses	58	-	-	-	As agreed by suppliers
Miscellaneous expenses	2,363	1,881	2,243	1,801	As agreed by suppliers
System work expenses	600	313	600	313	Mutually agreed rate
Commission expenses	548	34	-	-	Mutually agreed rate
Purchase of assets	3,277	3,905	3,205	3,539	As agreed by suppliers
Sale of properties foreclosed	-	17,279	-	-	Mutually agreed price
<u>Transactions with managements and directors</u>					
Insurance income	702	105	-	-	According to term of underwriting agreements

As at 31 December 2019 and 2018, the balances of the accounts between the Group and those related companies are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables - related parties</u> (Note 8)				
Parent company	228	293	15	238
Related parties	4,395	15,248	2,928	14,995
Total trade and other receivables - related parties	4,623	15,541	2,943	15,233
<u>Accrued income - related parties</u> (Note 9)				
Subsidiary	-	-	186	93
Related parties	10,370	9,971	10,370	9,971
Total accrued income - related parties	10,370	9,971	10,556	10,064
<u>Premium receivables - related parties</u> (Note 10)				
Related parties	-	5,554	-	-
Total premium receivables - related parties	-	5,554	-	-
<u>Prepaid insurance - related party</u> (Shown under other current assets) (Note 16)				
Subsidiary	-	-	1,265	1,839
Total prepaid insurance - related party	-	-	1,265	1,839
<u>Deposits - related parties</u> (Shown under other non-current assets)				
Parent company	4,893	4,912	3,664	3,695
Related party	1,377	784	855	262
Total deposit - related parties	6,270	5,696	4,519	3,957
<u>Trade and other payables - related parties</u> (Note 23)				
Parent company	577	859	523	608
Subsidiaries	-	-	637	1,543
Related parties	845	604	531	296
Total trade and other payables - related parties	1,422	1,463	1,691	2,447
<u>Insurance contract liabilities - related parties</u> (Note 24)				
Related parties	943	-	-	-
Total insurance contract liabilities - related parties	943	-	-	-
<u>Other current liabilities - related parties</u> (Note 26)				
Related parties	-	189	-	189
Total other current liabilities - related parties	-	189	-	189
<u>Debentures - related persons</u> (Note 28)				
Director	15,000	15,000	15,000	15,000
Total debentures - related persons	15,000	15,000	15,000	15,000

Short-term loans to related parties

As at 31 December 2019 and 2018, the balance of loans between the Company and related company and the movement are as follows:

(Unit: Thousand Baht)

Short-term loans to	Related by	Consolidated financial statements			
		31 December 2018	Increase during the year	Decrease during the year	31 December 2019
J Fintech Co., Ltd.	Related party	330,000	364,000	(399,000)	295,000
		<u>330,000</u>	<u>364,000</u>	<u>(399,000)</u>	<u>295,000</u>

(Unit: Thousand Baht)

Short-term loans to	Related by	Separate financial statements			
		31 December 2018	Increase during the year	Decrease during the year	31 December 2019
J Asset Management Company Limited	Subsidiary	2,275,000	2,922,000	(1,047,000)	4,150,000
JAYMART INSURANCE BROKER CO., LTD.	Subsidiary	19,000	3,000	(10,000)	12,000
J Fintech Co., Ltd.	Related party	330,000	364,000	(399,000)	295,000
		<u>2,624,000</u>	<u>3,289,000</u>	<u>(1,456,000)</u>	<u>4,457,000</u>

Short-term loans to related parties carried interest between 4.49% and 4.57% per annum and to be due within one year (2018: 4.35% and 4.58% per annum).

Directors and managements' benefits

During the year ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and managements as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term benefits	19,354	16,798	8,472	8,060
Post-employment benefits	834	305	506	250
Total	<u>20,188</u>	<u>17,103</u>	<u>8,978</u>	<u>8,310</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cash on hand	125	125	10	10
Current deposits	248,307	588,535	120,616	479,359
Savings deposits	68,420	103,779	30,944	31,530
Fixed deposits	12	12	-	-
Total	316,864	692,451	151,570	510,899

As at 31 December 2019, bank deposits carried interests between 0.10% and 2.00% per annum (2018: between 0.10% and 2.00% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	2,857	8,401	1,319	8,148
Past due				
Up to 3 months	1,347	6,847	1,348	6,847
Total trade receivables - related parties	4,204	15,248	2,667	14,995
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	29,418	26,613	20,360	17,950
Past due				
Up to 3 months	1,074	524	918	305
3 - 6 months	125	93	49	54
More than 6 months	418	340	65	89
Total	31,035	27,570	21,392	18,398
Less: Allowance for doubtful debts	(383)	(255)	-	-
Total trade receivables				
- unrelated parties - net	30,652	27,315	21,392	18,398
Total trade receivables	34,856	42,563	24,059	33,393
Other receivables - related parties	419	293	276	238
Other receivables - unrelated parties	125,763	70,073	10,506	47,998
Total other receivables	126,182	70,366	10,782	48,236
Total trade and other receivables - net	161,038	112,929	34,841	81,629

9. Accrued income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accrued services income				
- Related parties	10,370	9,971	10,556	10,064
- Unrelated parties	25,139	19,258	21,408	17,608
Accrued interest income	1,202	1,371	267	342
Total accrued income	36,711	30,600	32,231	28,014

10. Premium receivables

As at 31 December 2019 and 2018, the balances of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
<u>Premium receivables - related parties</u>		
Not yet due	-	1,626
Past due		
Up to 30 days	-	-
31 - 60 days	-	3,928
Total premium receivables - related parties	-	5,554
<u>Premium receivables - unrelated parties</u>		
Not yet due	27,745	22,884
Past due		
Up to 30 days	1,797	4,790
31 - 60 days	652	2,266
61 - 90 days	2,499	683
More than 90 days	20,032	30,637
Total	52,725	61,260
Less: Allowance for doubtful debts	(13,738)	(26,447)
Total premium receivables - unrelated parties - net	38,987	34,813
Total premium receivables - net	38,987	40,367

For premium receivables due from agents and brokers, the subsidiary has stipulated the collection guideline in accordance with the Premium Collection Law whereby the subsidiary has taken legal proceedings with agents and brokers on a case by case basis for overdue premiums.

11. Reinsurance assets

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Insurance reserves refundable from reinsurers		
Loss reserves	105,353	78,166
Unearned premium reserve (UPR)	102,279	42,679
Total reinsurance assets	207,632	120,845

12. Reinsurance receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Amounts due from reinsurers	37,911	26,603
Total reinsurance receivables	37,911	26,603

As at 31 December 2019 and 2018, the balance of reinsurance receivables are classified by aging as follow:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Not yet due	30,353	13,367
Overdue not longer than 12 months	7,558	13,236
Total reinsurance receivables	37,911	26,603

13. Investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019		2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<u>Short-term investments</u>				
Trading securities				
Unit trusts	-	-	7,105	7,106
Equity securities	20,162	13,748	33,384	30,755
Total	20,162	13,748	40,489	37,861
Less: Unrealised loss	(6,414)	-	(2,628)	-
Total trading securities	13,748	13,748	37,861	37,861
Held-to-maturity investments				
Government and state enterprise securities	-		10,007	
Deposits and certificate of deposit at financial institutions which amount maturing over 3 months	205,083		187,852	
Private enterprise debt securities	10,000		-	
Total held-to-maturity investments	215,083		197,859	
Total short-term investments	228,831		235,720	
<u>Long-term investments</u>				
Available-for-sale-securities				
Unit trusts	63	74	63	74
Equity securities	22,173	19,383	14,864	14,819
Total	22,236	19,457	14,927	14,893
Less: Unrealised loss	(2,779)	-	(34)	-
Total available-for-sale-securities	19,457	19,457	14,893	14,893
Held-to-maturity investments				
Government and state enterprise securities	10,000		5,000	
Total held-to-maturity investments	10,000		5,000	
Other investments				
Equity securities	104,469		104,469	
Total other investments	104,469		104,469	
Total long-term investments	133,926		124,362	
Total investments - net	362,757		360,082	

(Unit: Thousand Baht)

	Separate financial statements			
	2019		2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Long-term investments				
Other investments				
Equity securities	104,346		104,346	
Total long-term investments	104,346		104,346	

As at 31 December 2019 and 2018, the subsidiary had pledged the following deposits and certificate of deposit at financial institutions which amount maturing over 3 months with the Registrar of the Office of Insurance Commission in accordance with the Non-life Insurance Act.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Assets pledged	14,208	14,000
Assets reserved as non-life insurance policy	61,927	70,300
	76,135	84,300

14. Loans receivable from purchase of accounts receivable

As at 31 December 2019 and 2018, loans receivable from purchase of accounts receivable classified by group of debtors are as follows:

	Consolidated financial statements			
	2019		2018	
	Number of contracts (Contract)	Amount (Thousand Baht)	Number of contracts (Contract)	Amount (Thousand Baht)
Hire purchase receivables	1,337,216	2,881,312	1,202,933	2,197,019
Personal loan receivables	2,350,190	1,747,253	2,354,008	1,704,981
Personal loan receivables - collaterals	2,137	3,399,250	1,851	2,080,952
Total	3,689,543	8,027,815	3,558,792	5,982,952
Less: Allowance for doubtful accounts		(107,231)		(93,968)
Net		7,920,584		5,888,984
Less: Current portion of loans				
receivable from purchase of				
accounts receivable		(387,371)		(470,820)
Loans receivable from purchase of				
accounts receivable - net of				
current portion		7,533,213		5,418,164

	Separate financial statements			
	2019		2018	
	Number of		Number of	
	contracts	Amount	contracts	Amount
	(Contract)	(Thousand Baht)	(Contract)	(Thousand Baht)
Hire purchase receivables	1,177,293	1,636,011	1,104,585	1,507,464
Personal loan receivables	2,059,359	935,433	2,093,268	1,221,284
Total	<u>3,236,652</u>	<u>2,571,444</u>	<u>3,197,853</u>	<u>2,728,748</u>
Less: Allowance for doubtful accounts		(74,611)		(80,594)
Net		2,496,833		2,648,154
Less: Current portion of loans				
receivable from purchase of				
accounts receivable		(269,408)		(334,867)
Loans receivable from purchase of				
accounts receivable - net of				
current portion		<u>2,227,425</u>		<u>2,313,287</u>

The movements on loans receivable from purchase of accounts receivable during the year 2019 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	5,888,984	2,648,154
Add: Purchase during the year	3,368,458	365,254
Reversal of allowance for doubtful accounts	29,874	8,145
Less: Portion decrease from cash collection during the year	(1,251,643)	(520,466)
Portion decrease from settlement by transferred assets during the year	(46,035)	-
Set up allowance for doubtful accounts	(43,137)	(2,162)
Reassignment	(25,917)	(2,092)
Balance as at 31 December 2019	<u>7,920,584</u>	<u>2,496,832</u>

As at 31 December 2019, the Group expects to collect cash from the loans receivable from purchase of accounts receivable of Baht 1,386 million within one year (the Company only: Baht 840 million) (2018: Baht 1,517 million (the Company only: Baht 890 million)).

During the year 2019, the Company purchased accounts receivable from related parties with the contract amount of Baht 1,042 million (2018: Baht 1,659 million).

As at 31 December 2019, the average age of loans receivable from purchase of accounts receivable, aging from the purchasing date is between 1 and 8 years. (2018: 1 and 8 years).

15. Properties foreclosed

Details of properties foreclosed are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Cost	99,067	73,817
Less: Allowance for impairment	(3,088)	-
Properties foreclosed - net	95,979	73,817

	(Unit: Thousand Baht)	
	Consolidated financial statements	
Balance as at 1 January 2019		73,817
Add: Increase from settlement by transferred assets and auction		46,035
Less: Disposal		(20,785)
Allowance for impairment		(3,088)
Balance as at 31 December 2019		95,979

Properties foreclosed are immovable assets which the subsidiary received for debt settlements from loans receivable from purchase of accounts receivable - personal loan receivable with collateral and immovable assets received by purchasing collaterals at auction. The subsidiary is in the process of selling these assets.

16. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Advance to staffs	8,314	7,044	5,344	780
Prepaid expenses	6,292	6,470	7,240	5,788
Undue input vat	8,372	14,411	6,983	14,081
Value added tax refund	42,564	15,000	-	13,723
Withholding tax	2,224	2,107	-	-
Deposit for bidding assets	-	47,910	-	-
Claim receivables	3,018	4,137	-	-
Others	13,023	7,652	193	329
Total	83,807	104,731	19,760	34,701

17. Investments in subsidiaries

17.1) Details of investments in subsidiaries as presented in separate financial statements are as follows.

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
JAYMART INSURANCE								
BROKER CO., LTD.	15,000	5,000	99.99	99.99	15,000	5,000	1,655	(6,681)
J Asset Management								
Company Limited	300,000	300,000	99.99	99.99	300,000	300,000	1,464,198	999,880
JMT (CAMBODIA)								
CO., LTD.*	14,062	24,616	100.00	100.00	14,062	24,616	3,498	15,669
JP Insurance Public								
Company Limited	572,000	572,000	55.00	55.00	392,304	392,304	319,871	347,730
Total					721,366	721,920	1,789,222	1,356,598

* Being liquidation process

17.2) Share of comprehensive income

During the year, the Company recognised its share of comprehensive income from investments in subsidiaries in separate financial statements as follows:

(Unit: Thousand Baht)

Subsidiaries	For the year ended 31 December			
	Separate financial statements			
	Share of gains (losses) from investments in subsidiaries		Share of other comprehensive income from investments in subsidiaries	
	2019	2018	2019	2018
JAYMART INSURANCE BROKER CO., LTD.	(1,664)	(2,333)	-	-
J Asset Management Company Limited	464,318	297,937	-	-
JMT (CAMBODIA) CO., LTD.	(539)	(6,408)	(1,080)	484
JP Insurance Public Company Limited	(39,464)	(31,750)	(1,991)	130
Total	422,651	257,446	(3,071)	614

17.3) Details of investment in subsidiary that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
JP Insurance Public Company Limited	45	45	37,703	71,253	(33,549)	(25,714)	-	-

17.4) Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling

Summarised information about financial position

(Unit: Thousand Baht)

	JP Insurance Public Company Limited	
	2019	2018
Current assets	625,145	542,755
Non-current assets	39,072	38,043
Current liabilities	577,747	420,055
Non-current liabilities	2,685	2,612

Summarised information about comprehensive income

(Unit: Thousand Baht)

JP Insurance Public Company Limited		
	For the year ended	For the period as
	31 December 2019	from 1 April 2018 to
		31 December 2018
Revenue	219,253	101,884
Loss	(70,933)	(57,526)
Other comprehensive income	(3,621)	177
Total comprehensive income	(74,554)	(57,349)

Summarised information about cash flow

(Unit: Thousand Baht)

JP Insurance Public Company Limited		
	For the year ended	For the period as
	31 December 2019	from 1 April 2018 to
		31 December 2018
Cash flow from operating activities	(12,377)	(266,828)
Cash flow from investing activities	(1,369)	(6,747)
Cash flow from financing activities	(218)	334
Net decrease in cash and cash equivalents	(13,964)	(273,241)

JMT (CAMBODIA) CO., LTD.

On 20 February 2017, the Board of Directors meeting of the Company passed a resolution to invest 100.00% in a new subsidiary, JMT (CAMBODIA) CO., LTD., with registered share capital of KHR 1,139,700,000 (284,925 ordinary shares), to engage in providing debt collection services and call center business in Cambodia. This subsidiary registered the establishment with the Ministry of Commerce (Cambodia) on 6 June 2017 and the Company paid up subsidiary's share capital of KHR 1,139,700,000 (equivalent to USD 0.3 million or Baht 9.7 million) on 3 July 2017.

On 20 February 2018, the Board of Directors meeting of the Company passed a resolution to increase share capital of JMT (CAMBODIA) CO., LTD. On 9 April 2018, the Company has paid up subsidiary's share capital of USD 0.48 million (equivalent to Baht 14.9 million). The subsidiary registered the paid up share capital with the Ministry of Commerce (Cambodia) in April 2018. As a result, the subsidiary's registered share capital and paid up capital to be KHR 3,048,948,000 (equivalent to USD 0.8 million or Baht 24.6 million).

On 13 November 2018, the Board of Directors' Meeting of the Company passed the resolution to approve the dissolution and liquidation of this subsidiary. Later on 14 December 2018, the Extraordinary General Meeting of the shareholders of JMT (CAMBODIA) CO., Ltd. resolved to dissolve the business.

On 4 January 2019, JMT (CAMBODIA) CO., Ltd. registered the dissolution with Ministry of Commerce of Cambodia and is in the process of liquidation. Later on 27 November 2019, the subsidiary returned partial capital totalling USD 0.35 million or equivalent to Baht 10.55 million.

Jay Call Center Co., Ltd.

On 9 November 2017, the Company's Board of Director meeting No. 5/2017 passed a resolutions to establish a new subsidiary, Jay Call Center Co., Ltd., to engage in providing debts collection services and customer relationship management. The Company are considering for the investors and shareholder ratio.

On 13 November 2019, the Board of Directors meeting of the Company passed a resolution to cancel the establishment of this subsidiary.

JP Insurance Public Company Limited

On 22 February 2018, the Board of Directors meeting of the Company passed resolutions approving an acquisition of investment in Phoenix Insurance (Thailand) Public Company Limited ("Subsidiary"), which engaged in non-life insurance in Thailand.

On 29 March 2018, the Company entered into a share purchase agreement with existing shareholders of Phoenix Insurance (Thailand) Public Company Limited to purchase new ordinary shares, which subsidiary issued to increase its registered share capital totaling Baht 180 million (180 million ordinary shares with a par value of Baht 1 each) at a price of Baht 2 per share amounting to Baht 360 million, and to purchase 134.6 million ordinary shares with a par value of Baht 1 each of subsidiary from its existing shareholders, at a price of Baht 0.24 per share, totaling Baht 32.3 million. After the full payments, the Company's shareholding in subsidiary is 55%. The Company had paid for new ordinary shares amounting to Baht 360 million (180 million ordinary shares at Baht 2 per share) in March 2018. Subsidiary registered the increase in its share capital with the Ministry of Commerce on 30 March 2018. The Company paid the remaining balance to Subsidiary's existing shareholders in April 2018.

On 27 April 2018, subsidiary registered with the Ministry of Commerce to change the name from Phoenix Insurance (Thailand) Public Company Limited to JP Insurance Public Company Limited.

The Company recorded the net assets of such company at its fair value as of the acquisition date. Details of the fair value and book value of the identifiable assets and liabilities of that company as of the acquisition date are as follows.

(Unit: Thousand Baht)

	Fair value	Book value
Assets		
Cash and cash equivalents	372,646	372,646
Trade and other receivables	181	181
Accrued income	590	590
Premium receivables	32,434	32,434
Reinsurance assets	81,270	81,270
Reinsurance receivables	25	25
Short-term investment	66,523	66,523
Other current assets	14,120	14,120
Long-term investment	195	195
Equipment	5,707	5,707
Computer software	32	32
Other non-current assets	2,005	2,005
Total assets	575,728	575,728

(Unit: Thousand Baht)

	Fair value	Book value
Liabilities		
Trade and other payables	26,611	26,611
Liabilities under finance lease agreements	214	214
Insurance contract liabilities	265,106	265,106
Amounts due to reinsurers	46,717	46,717
Other current liabilities	19,793	19,793
Provision for long-term employee benefits	1,804	1,804
Deferred tax liabilities	2	2
Total liabilities	360,247	360,247
Net assets	215,481	215,481
Non-controlling investments of subsidiary (45 percent)	(96,967)	
Net assets attributable to Company's investment (55 percent)	118,514	
Cash paid over net assets	273,790	
Purchase price	392,304	
Less: Cash and cash equivalents of subsidiary	(372,646)	
Net cash paid for purchase of subsidiary	19,658	

Details of acquisition of such company are as follows.

(Unit: Thousand Baht)

Purchase price

Cash paid	392,304
Fair value of net assets received	(118,514)
Goodwill	273,790

JAYMART INSURANCE BROKER CO., LTD. (formerly known as “Jay Insurance Broker Company Limited”)

On 25 January 2019, the Extraordinary Shareholders' Meeting of Jay Insurance Broker Company Limited (“subsidiary”) approved the resolution to increase registered share capital amounting Baht 10 million through the issuance of 1 million new ordinary shares, with a par value of Baht 10 each. As a result, the subsidiary's registered share capital and fully paid-up capital to be Baht 15 million. The subsidiary received payment for the shares and registered the increase in its registered share capital with the Ministry of Commerce on 5 February 2019.

On 10 April 2019, the Extraordinary General Shareholders' Meeting of the Jay Insurance Broker Company Limited No. 1/2019 passed a resolution to change its' company name from "Jay Insurance Broker Company Limited" to "JAYMART INSURANCE BROKER CO., LTD.". On 23 April 2019, the subsidiary registered to change of its' name with the Ministry of Commerce.

18. Equipment

Movement of the equipment during the years ended 31 December 2019 and 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Office equipment	Office furniture	Motor vehicles	Assets under construction	Total
Cost:					
1 January 2018	130,844	20,139	13,788	-	164,771
Additions	45,616	7,172	4,524	15,909	73,221
Transfer in	-	-	-	1,372	1,372
Increase from acquisition of a subsidiary	13,397	20,906	5,170	-	39,473
Disposals/write off	(8,019)	(400)	-	-	(8,419)
Translation adjustment	(14)	-	-	-	(14)
31 December 2018	181,824	47,817	23,482	17,281	270,404
Additions	44,738	3,880	3,973	14,678	67,269
Transfer in	-	-	-	1,721	1,721
Disposals/write off	(7,428)	(1,713)	(5,464)	-	(14,605)
31 December 2019	219,134	49,984	21,991	33,680	324,789
Accumulated depreciation:					
1 January 2018	69,516	6,519	2,419	-	78,454
Depreciation for the year	32,430	7,672	3,162	-	43,264
Increase from acquisition of a subsidiary	12,064	16,533	5,170	-	33,767
Depreciation on disposals and write off	(7,338)	(205)	-	-	(7,543)
Translation adjustment	1	-	-	-	1
31 December 2018	106,673	30,519	10,751	-	147,943
Depreciation for the year	43,416	6,689	3,936	-	54,041
Depreciation on disposals and write off	(7,369)	(935)	(5,215)	-	(13,519)
31 December 2019	142,720	36,273	9,472	-	188,465

(Unit: Thousand Baht)

Consolidated financial statements

	Office equipment	Office furniture	Motor vehicles	Assets under construction	Total
Net book value					
31 December 2018	75,151	17,298	12,731	17,281	122,461
31 December 2019	76,414	13,711	12,519	33,680	136,324
Depreciation for the year					
2018 (Baht 3 million included in cost of services, and the balance in administrative expenses)					43,264
2019 (Baht 4 million included in cost of services, and the balance in administrative expenses)					54,041

(Unit: Thousand Baht)

Separate financial statements

	Office equipment	Office furniture	Motor vehicles	Assets under construction	Total
Cost:					
1 January 2018	116,771	19,316	11,705	-	147,792
Additions	41,522	6,451	1,203	15,909	65,085
Transfer in	-	-	-	1,372	1,372
Write off	(6,044)	(400)	-	-	(6,444)
31 December 2018	152,249	25,367	12,908	17,281	207,805
Additions	43,793	3,871	415	14,678	62,757
Transfer in	-	-	-	1,721	1,721
Disposals/Write off	(930)	(1,685)	-	-	(2,615)
31 December 2019	195,112	27,553	13,323	33,680	269,668
Accumulated depreciation:					
1 January 2018	65,216	6,169	2,318	-	73,703
Depreciation for the year	27,410	4,294	2,442	-	34,146
Depreciation on write off	(5,960)	(205)	-	-	(6,165)
31 December 2018	86,666	10,258	4,760	-	101,684
Depreciation for the year	38,933	5,165	2,515	-	46,613
Depreciation on disposal and write off	(871)	(908)	-	-	(1,779)
31 December 2019	124,728	14,515	7,275	-	146,518

(Unit: Thousand Baht)

	Separate financial statements			
	Office equipment	Office furniture	Motor vehicles	Assets under construction
				Total
Net book value:				
31 December 2018	65,583	15,109	8,148	17,281
31 December 2019	70,384	13,038	6,048	33,680
Depreciation for the year				
2018 (Baht 3 million included in cost of services, and the balance in administrative expenses)				34,146
2019 (Baht 4 million included in cost of services, and the balance in administrative expenses)				46,613

As at 31 December 2019, the Group certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 111 million (2018: Baht 56 million) (The Company only: Baht 79 million (2018: Baht 42 million)).

19. Computer software

The net book value of computer software as at 31 December 2019 and 2018 is presented below.

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cost	77,994	66,460	55,280	44,780
Less: Accumulated amortisation	(51,018)	(42,130)	(34,901)	(26,235)
Net book value	26,976	24,330	20,379	18,545

A reconciliation of the net book value of computer software for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	24,330	16,240	18,545	15,698
Acquisitions of computer software	11,542	14,971	10,500	9,450
Increase from acquisition of a subsidiary - net book value	-	32	-	-
Amortisation	(8,889)	(6,521)	(8,666)	(6,340)
Write off	(7)	(392)	-	(263)
Net book value at end of year	<u>26,976</u>	<u>24,330</u>	<u>20,379</u>	<u>18,545</u>

20. Leasehold rights

The movement of the leasehold rights during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2019	2018
Net book value at beginning of year	50,284	-
Transfer from other non-current assets	-	10,000
Acquisitions during the year - at cost	-	41,655
Amortisation for the year	(1,721)	(1,371)
Net book value at end of year	<u>48,563</u>	<u>50,284</u>

21. Goodwill

The Company allocated goodwill arising from business combination to the cash generating unit (CGU) for annual impairment testing. The CGU is JP Insurance Public Company Limited.

The Company determined the recoverable amount of CGU based on value in use, made using cash flow projections covering a five-year period extracted from financial budget approved by management. Key assumptions used in value in use calculation are long-term growth rate at the rate of 2 percent per annum and discount rate at the rate of 9.45 percent per annum.

The management of the Company determined these key assumptions based on historical operating results and expected market growth. The discount rate used is a rate that reflects risks specific to the Group.

The management of the Company believes that changes in the key assumption used to determine the value in use of the CGU would not result in impairment.

The management of the Company believes that there is no impairment of goodwill.

22. Short-term loans from financial institutions and short-term loans

		(Unit: Thousand Baht)	
		Consolidated and Separate	
		financial statements	
	Interest rate	2019	2018
	(% p.a.)		
<u>Short-term loans from financial institutions</u>			
Promissory notes	3.00 - 3.40	647,850	-
Total short-term loans from financial institutions		647,850	-
<u>Short-term loans</u>			
Bills of exchange	4.00	200,000	-
Less: Prepaid interest		(2,918)	-
Total short-term loans		197,082	-

As at 31 December 2019, the Company had the unused overdraft facilities from banks and other credit facilities Baht 507 million (2018: Baht 557 million).

23. Trade and other payables

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2019	2018
Trade payables - unrelated parties		130,758	175,927
Accrued interest expenses - unrelated parties		30,208	23,476
Other payables - related parties		767	1,708
Other payables - unrelated parties		9,001	8,999
Accrued expenses - related parties		655	739
Accrued expenses - unrelated parties		42,523	13,689
Total trade and other payables		213,912	224,538

24. Insurance contract liabilities

(Unit: Thousand Baht)

	Consolidated financial statements					
	2019			2018		
	Insurance contract liabilities	Liabilities on reinsurance	Net	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves						
- Claim incurred and reported	119,741	(57,973)	61,768	98,512	(43,658)	54,854
- Claim incurred but not reported	112,830	(47,380)	65,450	112,923	(34,508)	78,415
Total loss reserves	<u>232,571</u>	<u>(105,353)</u>	<u>127,218</u>	<u>211,435</u>	<u>(78,166)</u>	<u>133,269</u>
Premium reserves						
- Unearned premium reserves (UPR)	188,997	(102,279)	86,718	100,322	(42,679)	57,643
Total premium reserves	<u>188,997</u>	<u>(102,279)</u>	<u>86,718</u>	<u>100,322</u>	<u>(42,679)</u>	<u>57,643</u>
Total	<u>421,568</u>	<u>(207,632)</u>	<u>213,936</u>	<u>311,757</u>	<u>(120,845)</u>	<u>190,912</u>

The management of the subsidiary entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management, the management still requires to disclose insurance contract liabilities on both a gross and net basis.

24.1) Loss reserves and outstanding claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the years ended 31 December	
	2019	2018
Balance - beginning of the year	211,435	-
Increase from acquisition of a subsidiary	-	164,126
Claim incurred during the year	244,143	127,842
Change in loss reserved of claimed incurred in prior years	6,574	(11,550)
Changes in assumptions in calculating loss reserves	(3,626)	37,387
Claim expense paid during the year	(225,955)	(106,370)
Balance - end of the year	<u>232,571</u>	<u>211,435</u>

As at 31 December 2019 and 2018, the subsidiary do not have loss reserves and outstanding claims under reinsurance contracts.

24.2) Assumptions

The estimation of claims relies on many components that are uncertain, which could result in the actual result being different from the estimate due to fluctuations. However, the estimation is based on actuarial methodology which is generally acceptable. This method also applies best efforts in determining underlying assumptions and reducing uncertainties. In general, catastrophe is not included in the estimation. In addition, insurance contract liabilities will cease when they are fully paid. The related assumptions are as follow.

1) Assumptions of historical claim expenses

At the end of the reporting periods, the subsidiary estimates loss reserves using historical experience and actuarial technique, which is a standard that is generally accepted. In estimation of loss reserves, they are classified as gross (before reinsurance) and net (after reinsurance) reserves, by accident year, and duration of claim development. The subsidiary uses the higher value between those determined from the Payment Method and the Incurred Method but excluding disaster losses. However, in calculation using the above-mentioned data, the management is required to exercise judgement to exclude all large claims in order to eliminate the fluctuations in loss development factor but include certain relevant large claims on a case-by-case basis where appropriate.

2) Assumptions of related expenses

The subsidiary estimates the unallocated loss adjustment expenses (ULAE) based on Claim Department's incurred expenses, for example, salaries, employee benefits, and technology costs, which is set as a ratio of ULAE to claims paid.

24.3) Unearned premium reserves

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the years ended 31 December	
	2019	2018
Balance - beginning of year	100,322	-
Increase from acquisition of a subsidiary	-	100,980
Premium written for the year	381,138	142,316
Premium earned during the year	(292,463)	(142,974)
Balance - end of year	188,997	100,322

25. Amounts due to reinsurers

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Reinsurance premium payables	492	1,018
Amounts withheld on reinsurance	95,973	41,411
Other reinsurance payables	22,722	28,673
Total amounts due to reinsurers	119,187	71,102

26. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash received from customer - related parties	-	189	-	189
Cash received from customer - unrelated parties	24,778	5,323	18,361	1,803
Unearned revenue - unrelated parties	-	20	-	20
Premium received in advance - unrelated parties	681	5,958	-	-
Others	19,680	21,254	9,628	9,133
Total other current liabilities	45,139	32,744	27,989	11,145

27. Long-term loans

			(Unit: Thousand Baht)	
Loans	Interest rate per year (%)	Repayment	Consolidated and Separate financial statements	
			2019	2018
1	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 3 April 2017 to 3 April 2022	45,520	63,760
2	MLR minus 2.35%	Interest payments are made in 36 installments on a monthly basis and principle repayments are made in 10 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 18 July 2017 to 18 July 2020	34,500	80,500
3	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 14 December 2017 to 14 December 2022	199,980	266,660
4	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 29 March 2018 to 29 March 2023	77,760	100,000
5	MLR minus 2.35%	Interest payments are made in 36 installments on a monthly basis and principle repayments are made in 10 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 31 May 2018 to 31 May 2021	180,000	300,000
Total			537,760	810,920
Less: Deferred financial fee			(663)	(1,014)
Long-term loans - net			537,097	809,906
Less: Current portion			(271,453)	(294,628)

Movement of the long-term loans account during the years ended 31 December 2019 and 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2019	2018
Beginning of the year	810,920	497,000
Add: Addition loans	-	400,000
Less: Repayment loans	(273,160)	(86,080)
Ending of the year	537,760	810,920

Under the loan agreements, the Company is committed to comply with financial covenants conditions, including maintaining debt to equity ratio and debt service coverage ratio.

As at 31 December 2019 and 2018, the Group does not have long-term credit facilities which have not yet been down.

28. Debentures

At the Annual General Shareholders meeting of the Company on 9 April 2015, the shareholders approved to issue and offer the debentures for amount not exceeding Baht 2,000 million or the equivalent in any other currency, with a maximum terms of 20 years, by way of public offering and/or private placement and/or institutional investors in Thailand and/or offshore, in accordance with the relevant Notification of the Office of Securities and Exchange Commission. Those debentures could be issued in one or several tranches as agreement.

At the Extraordinary Shareholders' Meeting No. 1/2017 of the Company on 6 November 2017, the shareholders approved to issue and offer the debentures for amount not exceeding Baht 5,000 million or the equivalent in any other currency. The term of debentures will be determined in each time by depending on prevailing market conditions at the time of issuing and offering or under the terms and conditions of the debentures issued at such time, by way of public offering and/or private placement and/or institutional investors in Thailand and/or offshore. The debenture issued pursuant to this plan will be offered in all or in part, and/or as a program, and/or revolving nature.

At the Extraordinary Shareholders' Meeting No. 1/2019 of the Company on 20 December 2019, the shareholders approved to issue and offer the debentures for amount not exceeding Baht 5,000 million or the equivalent in any other currency. The term of debentures will be determined in each time by depending on prevailing market conditions at the time of issuing and offering or under the terms and conditions of the debentures issued at such time, by way of public offering and/or private placement and/or institutional investors in Thailand and/or offshore. The debenture issued pursuant to this plan will be offered in all or in part, and/or as a program, and/or revolving nature.

Balances of debentures as at 31 December 2019 and 2018 are as follows:

						(Unit: Thousand Baht)	
						Consolidated and Separate	
						financial statements	
Debentures	Terms	Date of issuance	Maturity date	Interest rate	Number of debentures	2019	2018
				(% p.a.)	(Thousand units)		
1	3 years	17 June 2016	17 June 2019	4.00	300	-	300,000
2	3 years	29 July 2016	29 July 2019	3.85	150	-	150,000
3	3 years	20 July 2017	20 July 2020	4.20	400	400,000	400,000
4	3 years	12 October 2017	12 October 2020	4.20	440	440,000	440,000
5	3 years	22 December 2017	22 December 2020	4.00	800	800,000	800,000
6	3 years	4 October 2018	4 October 2021	4.30	1,075	1,074,700	1,074,700
7	3 years	6 June 2019	6 June 2022	4.50	1,498	1,498,000	-
8	3 years	10 July 2019	10 July 2022	4.50	200	200,000	-
Total debentures - face value						4,412,700	3,164,700
Less: Deferred financial fee						(12,010)	(8,683)
Total debentures						4,400,690	3,156,017
Less: Current portion						(1,638,490)	(449,845)
Debentures - net of current portion						2,762,200	2,706,172

The above debentures are unsecured, unsubordinated, name registered debentures which have terms of payment of interest every 3 months throughout the terms of debentures. Such debentures contain certain covenants and restrictions regarding the maintenance of debt to equity ratio and restriction on dividend payment.

The Company used proceeds from issuance of debentures for settlement of the outstanding liability and/or using as working capital and business expansion.

Movements in debentures account for the years ended 31 December 2019 and 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2019	2018
Beginning of the year	3,164,700	2,190,000
Add: Issuance of debentures during the year	1,698,000	1,074,700
Less: Repayment for debentures	(450,000)	(100,000)
Ending of the year	4,412,700	3,164,700

29. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits				
at beginning of year	3,570	1,220	1,288	1,152
Included in profit or loss:				
Current service cost	954	1,167	130	99
Interest cost	102	182	55	37
Past service cost	431	-	408	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	235	(610)	-	-
Financial assumptions changes	190	187	-	-
Experience adjustments	444	152	-	-
Increase from acquisition of a subsidiary	-	1,804	-	-
Benefits paid during the year	(1,465)	(532)	-	-
Provision for long-term employee benefits				
at end of year	4,461	3,570	1,881	1,288

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 0.4 million (The Company only: Baht 0.4 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

As at 31 December 2019, the Group expects to pay Baht 0.2 million of long-term employee benefits during the next year (2018: Nil).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 11 - 23 years (the Company only: 16 years) (2018: 11 - 23 years, the Company only: 16 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial		Separate financial	
	statements		statements	
	2019	2018	2019	2018
Discount rate	1.71 - 3.29	2.66 - 3.29	3.01	3.01
Salary increase rate	4.00 - 8.91	4.00 - 8.91	8.91	8.91
Turnover rate	0 - 73	0 - 73	0 - 73	0 - 73

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit: Thousand Baht)			
	2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(353)	404	(95)	102
Salary increase rate	402	(359)	112	(105)
Turnover rate	(584)	742	(142)	155

(Unit: Thousand Baht)

	2018			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(146)	156	(70)	75
Salary increase rate	229	(208)	76	(71)
Turnover rate	(350)	437	(96)	105

30. Share capital

30.1) On 29 December 2017, the warrant holders exercised 10,775,553 warrants to purchase 10,920,483 ordinary shares at an exercise price of Baht 17.761 per share, totaling Baht 193,958,699. In December 2017, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 4 January 2018 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 8 January 2018.

30.2) On 30 March 2018, the warrant holders exercised 18,197,287 warrants to purchase 18,442,022 ordinary shares at an exercise price of Baht 17.761 per share, totaling Baht 327,548,756. In March 2018, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 2 April 2018 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 9 April 2018.

30.3) On 29 June 2018, the warrant holders exercised 34,196,659 warrants to purchase 34,656,461 ordinary shares at an exercise price of Baht 17.761 per share, totaling Baht 615,533,404. In June 2018, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 4 July 2018 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 9 July 2018.

30.4) On 10 August 2018, the Extraordinary Shareholders' Meeting of the Company approved the resolution as follows.

- 1) The reduction of the Company's registered capital by cancelling 4,564 authorised but unissued shares at a par value of Baht 1 each which were the remaining allotted shares from the exercise of warrants to purchase ordinary shares of the Company No. 1 (JMT-W1) that matured following the resolution of the 2015 Annual General Meeting of Shareholders. The existing registered capital in the amount of Baht 444,000,000 is reduced to be the new registered capital of Baht 443,995,436, divided into 443,995,436 ordinary shares at a par value of Baht 1 each. Clause 4 of the Company's Memorandum of Association was amended to reflect such capital reduction. The Company registered capital reduction and amended the Company's Memorandum of Association with the Ministry of Commerce on 14 August 2018.
- 2) The change in par value of the Company's share from Baht 1 each to be Baht 0.50 each. Clause 4 of the Company's Memorandum of Association was amended to reflect of such change in the par value. The Company registered the change in par value and amended the Company's Memorandum of Association with the Ministry of Commerce on 15 August 2018.

After the change in par value, the number of ordinary share held by each shareholders will increase without any change in shareholding proportion.
- 3) The increase in the Company's registered capital of Baht 110,998,859 from the existing registered capital of Baht 443,995,436 to be new registered capital Baht 554,994,295 by new issue of 221,997,718 ordinary shares at a par value of Baht 0.50 each. Clause 4 of the Company's Memorandum of Association was approved and amended to reflect to the capital increase. The Company registered capital increase and amended the Company's Memorandum of Association with the Ministry of Commerce on 16 August 2018.
- 4) The allotment of 221,997,718 new shares at a par value of Baht 0.50 each, to reserve for the exercise of the warrants (JMT-W2), which are issued and offered to the existing shareholders by way of rights offering with no offering price. Any new shares remaining due to non-exercise of the warrants will be proposed to the shareholders' meeting for further consideration.

30.5) On 30 December 2019, the warrant holders exercised 507,400 warrants to purchase 517,704 ordinary shares at an exercise price of Baht 18.62187 per share, totaling Baht 9,640,618. In December 2019, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 3 January 2020 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 15 January 2020.

Reconciliation of share capital

	Consolidated and Separate financial statements			
	2019		2018	
	Number of share	Amount	Number of share	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
<u>Register capital</u>				
At beginning of year	1,109,989	554,994	444,000	444,000
Decrease in registered share capital	-	-	(5)	(5)
Increase due to change in par value	-	-	443,996	-
Increase in registered share capital	-	-	221,998	110,999
At end of year	<u>1,109,989</u>	<u>554,994</u>	<u>1,109,989</u>	<u>554,994</u>
<u>Issued and paid-up share capital</u>				
At beginning of year	887,991	443,995	379,976	379,976
Increase in capital from exercising of the rights of the warrant	-	-	64,019	64,019
Increase due to change in par value	-	-	443,996	-
At end of year	<u>887,991</u>	<u>443,995</u>	<u>887,991</u>	<u>443,995</u>

31. Warrant

31.1 Warrant No.1

The Company has issued and allocated warrant no.1 ("JMT-W1") with free of charge by specified holders and transferable to existing shareholders totalling 73,999,545 units. 1 unit of warrant is exercisable to purchase 1 common share at Baht 18 each within 3 years starting from 30 June 2015 to 29 June 2018. Its first exercise is on 30 September 2015 and able to exercise on the last working day of each quarter.

On 12 April 2017, the Company adjusts the exercise price and exercise ratio of the warrants to purchase the newly issued ordinary to 1 unit of warrant is exercisable to purchase 1.01345 shares at Baht 17.761. The effective date for this adjustment is 17 April 2017.

As at 31 December 2019 and 2018, none of unexercised warrants no.1 was outstanding.

Reconciliation of number of JMT-W1 warrants

(Unit: Units)

	Consolidated and Separate financial statements	
	2019	2018
Number of warrants at the beginning of year	-	53,353,308
Exercised during the year (Note 30)	-	(52,393,946)
Warrants expired during the year	-	(959,362)
Number of warrants at the end of year	-	-

31.2 Warrant No.2

The Company has issued and allocated warrant no.2 (“JMT-W2”) with free of charge by specified holders and transferable to existing shareholders totalling 221,997,718 units. 1 unit of warrant is exercisable to purchase 1 common share at Baht 19 each within 3 years starting from 29 August 2018 to 27 August 2021. Its first exercise is on 28 December 2018 and able to exercise on the last working day of each quarter.

On 19 April 2019, the Company adjusted the exercise price and exercise ratio of the warrants to purchase the newly issued ordinary shares, such that 1 warrant can be exercised to purchase 1.02031 shares at a price of Baht 18.62187 per share. The effective date of this adjustment is 22 April 2019.

As at 31 December 2019: 221,490,070 units of warrants no. 2 are still outstanding unexercised (2018: 221,997,470 units).

Reconciliation of number of JMT-W2 warrants

(Unit: Units)

	Consolidated and Separate financial statements	
	2019	2018
Number of warrants at the beginning of year	221,997,470	-
Exercised during the year (Note 30)	(507,400)	-
Issued warrants during the year	-	221,997,718
Unallocated warrants	-	(248)
Number of warrants at the end of year	221,490,070	221,997,470

32. Treasury shares

As at 31 December 2018, the subsidiary has investment in ordinary shares in the Company with 1,164,400 ordinary shares amounting to Baht 13,146,212. The transaction will be considered as treasury shares. The Company therefore prepared financial statements as if the purchase of ordinary shares of the parent company by a subsidiary company is a share bought back by a parent company which stated the investment in ordinary shares of the parent company held by the subsidiary company as treasury shares in the shareholders' equity with the price that the subsidiary paid for the ordinary shares. The difference between the resale price and weighted cost for a treasury share is recognised as premium on treasury shares in shareholders' equity.

During the year, the movement of treasury shares is as follows:

	Number of ordinary shares (shares)	
	2019	2018
Balance as at the beginning of year	1,164,400	-
Add: Purchase during the year	150,000	1,456,100
Less: Issue during the year	(1,314,400)	(291,700)
Balance as at the end of year	-	1,164,400

33. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

34. Revenue from contracts with customers

34.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Type of service				
Services income from debt collection and other service income	342,086	262,526	342,165	261,742
Commission income	21,618	26,149	16,803	19,300
Total revenue from contract with customers	363,704	288,675	358,968	281,042
Timing of revenue recognition				
Revenue recognised at a point in time	363,704	288,675	358,968	281,042
Total revenue from contract with customers	363,704	288,675	358,968	281,042

Set out below is a the reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 40 to the financial statements relating to the segment information:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
External customers	2,524,561	1,884,891	1,165,475	925,324
Inter-segment	3,539	1,389	-	-
	2,528,100	1,886,280	1,165,475	925,324
Adjustments and eliminations	(3,539)	(1,389)	-	-
Interest income and dividend income	(1,294,543)	(1,228,380)	(806,507)	(644,282)
Gains on loans receivable from purchase of accounts receivable	(655,680)	(269,559)	-	-
Insurance income	(210,634)	(98,277)	-	-
Total revenue from contracts with customers	363,704	288,675	358,968	281,042

35. Insurance income

Insurance income for the years ended 31 December 2019 and 2018 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Gross premium written	381,138	142,316
Less: Premium ceded to reinsurers	(198,300)	(64,245)
Net insurance premium income	182,838	78,071
Add(less): Unearned premium reserve decreased from previous year	(29,075)	6,395
Net insurance premium income to reinsurers	153,763	84,466
Fee and commission income	56,871	13,811
Total	210,634	98,277

36. Insurance expenses

Insurance expenses for the years ended 31 December 2019 and 2018 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Gross claim and loss adjustment expenses	241,009	152,936
Less: Claims recovery from reinsurers	(133,983)	(87,865)
Commissions and brokerages expenses	55,867	19,653
Other underwriting expenses	73,264	25,265
Total	236,157	109,989

37. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Salaries, wages and other				
employee benefit	699,959	553,961	439,586	342,077
Debt collection expenses	15,890	13,507	12,784	11,826
Legal fee	161,737	115,401	127,863	89,839
Bad debt and doubtful accounts (reversal)	11,644	(5,881)	(8,938)	(6,200)
Rental expense	49,673	42,451	32,938	27,579
Depreciation and amortisation	62,930	49,785	55,279	40,486
Utilities expenses	53,326	40,134	49,748	37,040
Postage expenses	35,696	34,371	28,982	27,955
Transportation expenses	21,017	17,134	17,765	14,184
Office expenses	21,778	15,203	15,340	11,107
Administrative expenses	47,726	19,990	45,994	19,088
Printing expenses	18,196	16,984	14,519	14,076
Photocopy expenses	11,090	8,281	9,494	7,097
Audit, professional fee and SEC fee	18,193	29,686	8,078	22,156

38. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge	193,506	180,490	37,836	33,479
Deferred tax:				
Relating to origination and reversal				
of temporary differences	(4,094)	5,036	2,354	8,560
Income tax expense reported in profit or loss	189,412	185,526	40,190	42,039

The amounts of income tax related to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax on losses on change in value of available-for-sale investment	7	(7)	-	-
	<u>7</u>	<u>(7)</u>	<u>-</u>	<u>-</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	<u>838,855</u>	<u>665,222</u>	<u>721,553</u>	<u>547,554</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	167,771	133,044	144,311	109,511
Temporary differences and unused tax losses which deferred tax assets (liabilities) have not been recognised	12,979	9,842	(84,530)	(51,489)
Devaluation on deferred tax assets	148	25	-	-
Effects of:				
Non-deductible expenses	2,746	4,045	1,298	973
Additional expense deductions allowed	(140,360)	(102,358)	(116,383)	(96,138)
Additional revenues	146,128	140,928	95,494	79,182
Total	<u>8,514</u>	<u>42,615</u>	<u>(19,591)</u>	<u>(15,983)</u>
Income tax expense reported in profit or loss	<u>189,412</u>	<u>185,526</u>	<u>40,190</u>	<u>42,039</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax assets				
Allowance for doubtful accounts for hire purchase receivables	434	810	434	810
Allowance for doubtful accounts for loans receivable from purchase of accounts receivable	21,446	18,794	14,922	16,119
Allowance for doubtful accounts for loans to employee	190	175	190	175
Allowance for doubtful accounts for loans to customers	1,829	2,037	1,829	2,037
Allowance for doubtful accounts for accounts receivable	77	50	-	-
Provision for long-term employee benefits	407	277	376	258
Unused tax losses	3,421	3,127	-	-
Allowance for impairment of properties foreclosed	618	-	-	-
Difference from value adjustment of properties foreclosed	3,605	1,957	-	-
Unrealised loss on available-for-sale investment	-	7	-	-
Total	32,027	27,234	17,751	19,399
Deferred tax liabilities				
Costs of issuing debentures	(2,467)	(1,761)	(2,467)	(1,761)
Total	(2,467)	(1,761)	(2,467)	(1,761)
Deferred tax assets - net	29,560	25,473	15,284	17,638

As at 31 December 2019, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 381.6 million (2018: Baht 316.7 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 242.1 million will expire by the year of 2023.

As at 31 December 2019, the Company has temporary difference associated with investments in subsidiaries for which deferred tax liability has not been recognised Baht 1,164.2 million (2018: Baht 699.9 million).

39. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year netting of treasury shares held by the Group.

Diluted earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, netting of treasury shares held by the Group plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated and Separate financial statements						
For the year ended 31 December						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2019	2018	2019	2018	2019	2018	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company	681,363	505,516	887,856**	845,106*	0.77	0.60
Effect of dilutive potential ordinary shares						
JMT-W1	-	-	-	20,273		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	681,363	505,516	887,856	865,379	0.77	0.58

* Less treasury shares

** Less treasury shares and included ordinary shares from advance receipts from share subscription.

There is no potential dilution in earnings per share arose from warrant because the average share price from 29 August 2018 (the issuance date) to 31 December 2018 and for the year ended 31 December 2019 was lower than the exercise price of the warrant (JMT-W2). The Company therefore has not computed the diluted earnings per share from such warrant.

40. Segment information

Operating segment information is reported a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have four reportable segments as follows:

- Debt tracking and collection service is a service provider in trading the distressed debt in which the creditor is unable to pursue or not wishes to pursue by himself.
- Managing distressed debt resulting from the fact that financial institutions including some of the leasing companies distribute such distressed debt out from the account.
- Segment of hire purchase and personal loan service is to provide auto leasing service by focusing loans for used cars and second hand cars and to provide personal loan services.
- Insurance segment is to provide non-life insurance.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2019 and 2018, respectively

(Unit: Million Baht)

For the year ended 31 December 2019

	Debt collection business	Non-Performing accounts receivable management business	Personal loan and hire purchase business	Insurance business	Other	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers								
Service income and other income	341	-	-	-	22	363	-	363
Interest income and dividend income	-	1,271	-	6	18	1,295	-	1,295
Gains on loans receivable from purchase of accounts receivable	-	656	-	-	-	656	-	656
Insurance income	-	-	-	211	-	211	-	211
Inter-segment revenue	1	-	-	3	132	136	(136)	-
Gross profit (loss)	113	1,292	-	(19)	157	1,543	(130)	1,413
Unallocated income and expenses:								
Gain on investment								14
Other income								12
Interest expenses								(206)
Depreciation and amortisation								(58)
Administrative expenses								(325)
Bad debts and doubtful accounts								(12)
Income tax expenses								(189)
Profit for the year								649

(Unit: Million Baht)

For the year ended 31 December 2018

	Debt collection business	Non-Performing accounts receivable management business	Personal loan and hire purchase business	Insurance business	Other	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers								
Service income and other income	262	-	-	-	27	289	-	289
Interest income and dividend income	-	1,211	1	4	12	1,228	-	1,228
Gains on loans receivable from purchase of accounts receivable	-	270	-	-	-	270	-	270
Insurance income	-	-	-	98	-	98	-	98
Inter-segment revenue	-	-	-	-	80	80	(80)	-
Gross profit (loss)	108	982	(4)	(9)	105	1,182	(80)	1,102
Unallocated income and expenses:								
Loss on investment								(5)
Other income								5
Interest expenses								(134)
Depreciation and amortisation								(47)
Administrative expenses								(261)
Reversal of doubtful accounts								6
Income tax expenses								(186)
Profit for the year								480

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	2019	2018
Revenue from external customers		
Thailand	2,524,432	1,883,985
Cambodia	129	907
Total	2,524,561	1,884,892

Major customers

For the years 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

41. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group is to pay monthly contribution to the fund at the rate of 3 percent of basic salary and employees are to pay monthly contribute to the fund at the rate of 3 percent - 15 percent of basic salary (before June 2018 the Group and employees are to pay contribution to the fund at the rate of 5 percent). The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 3.0 million (2018: Baht 2.2 million) were recognised as expenses.

42. Dividends

Dividends declared in 2019 and 2018 consist of the following:

Dividends	Approved by	Total dividends	Qualified common shares	Dividend per share
		(Thousand Baht)	(Thousand shares)	(Baht)
Dividends from the operating results for the year 2018	Annual General Meeting of the shareholders on 17 April 2019	479,515	887,991	0.54
Interim dividends for the year 2019	Board of Directors' meeting on 9 August 2019	221,998	887,991	0.25

Total dividends for 2019		701,513		
			Qualified common shares	Dividend per share
Dividends	Approved by	Total dividends	shares	per share
		(Thousand Baht)	(Thousand shares)	(Baht)
Dividends from the operating results for the year 2017	Annual General Meeting of the shareholders on 18 April 2018	188,296	409,339	0.46
Interim dividends for the year 2018	Board of Directors' meeting on 10 August 2018	177,598	887,991	0.20
Total dividends for 2018		365,894		

43. Contribution to the General Insurance Fund

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the years ended 31 December	
	2019	2018
Accumulated contribution at the beginning of the year	4,384	-
Increase from acquisition of a subsidiary	-	4,025
Contribution during the year	970	359
Accumulated contribution at the end of the year	5,354	4,384

44. Commitments and contingent liabilities

44.1 Capital commitments

As at 31 December 2019, the Group had capital commitments related to construction management and design and computer software installation contract amounting to Baht 16 million (the Company only: Baht 16 million) (2018: Baht 28 million (the Company only: Baht 24 million)).

44.2 Operating lease commitments

The Group had commitments under operating lease and service agreements relating to the rental of land, space for office building with related parties, vehicles and others. The terms of agreement are between 1 to 30 years.

The Group has future minimum lease payments required under these non-cancellable operating leases contracts and service agreements were as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Payable:				
In up to 1 year	27	42	16	28
In over 1 year and up to 5 years	44	27	25	24
In over 5 years	82	82	82	82

44.3 Guarantees

- 1) As at 31 December 2019, the Group has outstanding bank guarantees of approximately Baht 4.39 million and USD 0.1 million (the Company only: Baht 3.86 million) (2018: Baht 4.21 million and USD 0.1 million (the Company only: Baht 3.71 million)) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.
- 2) As at 31 December 2018, the Company has acceptance and aval for promissory note issued by the subsidiary to secure the purchase of receivables amounting to Baht 144 million (2019: Nil).

44.4 Litigation

As at 31 December 2019, the subsidiary has been sued for damages totaling Baht 21.9 million as an insurer (2018: Baht 12.7 million). The outcomes of these cases have not been finalised. However, the subsidiary recorded a provision for possible losses amounting to Baht 4.1 million in the financial statements (2018: Baht 7.1 million). The subsidiary's management believes that such provision is adequate.

45. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured at fair value or which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements				
2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in trading securities				
Equity securities	14	-	-	14
Investments in available-for-sale securities				
Equity securities	19	-	-	19
Liabilities for which fair value are disclosed				
Debentures	-	4,460	-	4,460

(Unit: Million Baht)

Separate financial statements				
2019				
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	4,460	-	4,460

(Unit: Million Baht)

Consolidated financial statements				
2018				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in trading securities				
Equity securities	31	-	-	31
Units trusts	-	7	-	7
Investments in available-for-sale securities				
Equity securities	15	-	-	15
Liabilities for which fair value are disclosed				
Debentures	-	3,172	-	3,172

(Unit: Million Baht)

Separate financial statements				
2018				
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	3,172	-	3,172

46. Risks of non-life insurance company

46.1 Underwriting risk

The subsidiary has rigorously implemented its underwriting policy to ensure profitable underwriting, underwriting processes undertaken in accordance with the guideline, and effective cost management. In addition, the subsidiary also carries out the following risk assessment procedures to be prepared for the risk.

1. To mitigate risk with respect to incidents that are very likely to occur and of high severity, the subsidiary may reject underwriting of insurance, or apply the highest premium rate, or add limitations, loss deduction, or exceptions for high risk coverage.
2. To reduce risk with respect to incidents that are very likely to occur but of low severity, the subsidiary may accept underwriting of insurance, provided that conditions, limitations, or exceptions for high risk coverage are added, or that a procedure to be carried out by the insured to reduce the probability of losses in the future is specified.
3. To distribute risk with respect to incidents that are not likely to occur and of low severity, the subsidiary underwrites insurance for such incidents in a high proportion of total insurance underwriting, and cedes the insurance according to reinsurance contracts or governing laws and regulations.

In the case where the subsidiary's ability to take risks is limited, the subsidiary is to transfer the risks to established reinsurers that have reinsurance capacity and expertise in the areas of treaty reinsurance, facultative reinsurance, and whole account excess of loss reinsurance treaty.

The subsidiary also puts in place the following policies.

- Establishment of a basis for determination of sum insured, coverage and conditions for underwriting corresponding to level of risk.
- Arrangement for reinsurance required in the case where the subsidiary does not have the capacity to provide full coverage of the sum insured in accordance with the OIC's requirement which specifies that the subsidiary is not to take more the risks worth more than 10% of its available capital.
- Selection of an established reinsurer with credit rating of A or above and not lower than credit rating B, according to the ratings issued by S&P or A.M. Best.
- Assignment of persons responsible for procedures with respect to review of insurance underwriting for accuracy and completeness, and authorised person for each level of sum insured approval.

Insurance contract liabilities can be classified by insurance type as follows:

(Unit: Million Baht)

	2019			2018		
	Gross	Outward	Net	Gross	Outward	Net
	premium	premium		premium	premium	
	reserves	reserves		reserves	reserves	
Fire	1.00	(0.74)	0.26	0.23	(0.14)	0.09
Marine and						
transportation	1.72	(1.36)	0.36	0.23	(0.19)	0.04
Motor	161.87	(81.87)	80.00	81.13	(33.04)	48.09
Personal accident	9.44	(7.91)	1.53	5.93	(4.80)	1.13
Miscellaneous	14.97	(10.40)	4.57	12.80	(4.51)	8.29
Total	189.00	(102.28)	86.72	100.32	(42.68)	57.64

(Unit: Million Baht)

	2019			2018		
	Gross	Outward	Net	Gross	Outward	Net
	premium	premium		premium	premium	
	reserves	reserves		reserves	reserves	
Fire	0.03	(0.01)	0.02	0.01	-	0.01
Marine and						
transportation	0.53	(0.41)	0.12	0.53	(0.41)	0.12
Motor	203.99	(88.37)	115.62	185.15	(65.27)	119.88
Personal accident	2.99	(1.97)	1.02	2.36	(2.07)	0.29
Miscellaneous	25.03	(14.59)	10.44	23.39	(10.42)	12.97
Total	232.57	(105.35)	127.22	211.44	(78.17)	133.27

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in the calculation, which will have impacts on claim liabilities before and after reinsurance. The risk may occur because the frequency and severity of damage, or loss adjustment expenses are not as expected.

As at 31 December 2019 and 2018, the impacts on the best estimates of claims when there are changes to key assumptions are as follows:

(Unit: Million Baht)

2019					
	Assumption change	Increase (decrease) in gross claim liabilities	Increase (decrease) in net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity
Ultimate loss ratio	+5%	4.5	2.2	(2.2)	(2.2)
Ultimate loss ratio	-5%	(4.5)	(2.2)	2.2	2.2
ULAE ratio	+1%	1.6	1.6	(1.6)	(1.6)
ULAE ratio	-1%	(1.6)	(1.6)	1.6	1.6

(Unit: Million Baht)

2018					
	Assumption change	Increase (decrease) in gross claim liabilities	Increase (decrease) in net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity
Ultimate loss ratio	+5%	4.6	2.6	(2.6)	(2.6)
Ultimate loss ratio	-5%	(4.6)	(2.6)	2.6	2.6
ULAE ratio	+1%	1.0	1.0	(1.0)	(1.0)
ULAE ratio	-1%	(1.0)	(1.0)	1.0	1.0

47. Financial instruments

47.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, deposits at bank with restrictions, trade and other receivable, accrued income, short-term investments, short-term loans to related parties, bank deposits-pledge as collateral, loans receivable from purchase of accounts receivable, hire purchase receivables, loans to customers, long-term investments, short-term loans from financial institutions, trade and other payables, short-term loans, long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, accrued income, short-term investments, short-term loans to related parties, hire purchase receivables, loans to customers and loans receivable from purchase of accounts receivable. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, accrued income, short-term investments, short-term loans to related parties, hire purchase receivables, loans to customers and loans receivable from purchase of accounts receivable as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, deposits at bank with restrictions, short-term investment, short-term loans to related parties, hire purchase receivables, loans to customers, loans receivable from purchase of accounts receivable, restricted bank deposits with interest income, long-term investments, short-term loans, long-term loans and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2019							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	37	-	-	86	194	317	0.10 - 2.00
Deposits at banks with restrictions	-	-	-	-	2	2	0.38
Trade and other receivables	-	-	-	-	161	161	-
Accrued income	-	-	-	-	37	37	-
Short-term investment	215	-	-	-	14	229	0.65 - 2.45
Short-term loans to related parties	295	-	-	-	-	295	4.49 - 4.57
Bank deposits - pledge as collateral	2	-	-	1	-	3	0.38 - 1.10
Loans receivable from purchase of accounts receivable	-	-	-	7,921	-	7,921	Note 14
Long-term investment	-	10	-	-	124	134	0.40
Insurance assets							
Premium receivables	-	-	-	-	39	39	-
Reinsurance assets	-	-	-	-	208	208	-
	<u>549</u>	<u>10</u>	<u>-</u>	<u>8,008</u>	<u>779</u>	<u>9,346</u>	
Financial liabilities							
Short-term loans from financial institutions	648	-	-	-	-	648	3.00 - 3.40
Trade and other payables	-	-	-	-	214	214	-
Short-term loans	200	-	-	-	-	200	4.00
Long-term loans	-	-	-	537	-	537	3.65 - 4.50
Debentures	1,640	2,773	-	-	-	4,413	3.92 - 4.69
Insurance contract liabilities							
Insurance contract liabilities	-	-	-	-	422	422	-
Amount due to reinsurers	-	-	-	-	119	119	-
	<u>2,488</u>	<u>2,773</u>	<u>-</u>	<u>537</u>	<u>755</u>	<u>6,553</u>	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2018							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	99	-	-	456	138	693	0.10 - 2.00
Deposits at banks with restrictions	-	-	-	-	2	2	0.38
Trade and other receivables	-	-	-	-	113	113	-
Accrued income	-	-	-	-	31	31	-
Short-term investment	198	-	-	-	38	236	0.00 - 3.88
Short-term loans to related parties	330	-	-	-	-	330	4.35 - 4.45
Bank deposits - pledge as collateral	2	-	-	1	-	3	0.38 - 1.38
Loans receivable from purchase of accounts receivable	-	-	-	5,889	-	5,889	Note 14
Long-term investment	-	5	-	-	119	124	1.26
Insurance assets							
Premium receivables	-	-	-	-	40	40	-
Reinsurance assets	-	-	-	-	121	121	-
	<u>629</u>	<u>5</u>	<u>-</u>	<u>6,346</u>	<u>602</u>	<u>7,582</u>	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2018

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial liabilities							
Trade and other payables	-	-	-	-	393	393	-
Long-term loans	-	-	-	810	-	810	3.90 - 4.05
Debentures	450	2,715	-	-	-	3,165	3.92 - 4.49
Insurance contract liabilities							
Insurance contract liabilities	-	-	-	-	312	312	-
Amount due to reinsurers	-	-	-	-	71	71	-
	450	2,715	-	810	776	4,751	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2019

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	-	-	-	84	68	152	0.22 - 1.60
Trade and other receivables	-	-	-	-	35	35	-
Accrued income	-	-	-	-	32	32	-
Short-term loans to related parties	4,457	-	-	-	-	4,457	4.49 - 4.57
Bank deposits - pledge as collateral	-	-	-	1	-	1	0.38 - 0.90
Loans receivable from purchase of accounts receivable	-	-	-	2,497	-	2,497	Note 14
Long-term loans	-	-	-	-	104	104	-
	4,457	-	-	2,582	239	7,278	
Financial liabilities							
Short-term loans from financial institutions	648	-	-	-	-	648	3.00 - 3.40
Trade and other payables	-	-	-	-	69	69	-
Short-term loans	200	-	-	-	-	200	4.00
Long-term loans	-	-	-	537	-	537	3.65 - 4.05
Debentures	1,640	2,773	-	-	-	4,413	3.92 - 4.69
	2,488	2,773	-	537	69	5,867	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2018						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
Financial assets							
Cash and cash equivalent	-	-	-	456	55	511	0.25 - 1.00
Trade and other receivables	-	-	-	-	82	82	-
Accrued income	-	-	-	-	28	28	-
Short-term loans to related parties	2,624	-	-	-	-	2,624	4.35 - 4.58
Bank deposits - pledge as collateral	1	-	-	1	-	2	0.38 - 1.38
Loans receivable from purchase of accounts receivable	-	-	-	2,648	-	2,648	Note 14
Long-term loans	-	-	-	-	104	104	-
	2,625	-	-	3,105	269	5,999	
Financial liabilities							
Trade and other payables	-	-	-	-	225	225	-
Long-term loans	-	-	-	810	-	810	3.90 - 4.05
Debentures	450	2,715	-	-	-	3,165	3.92 - 4.49
	450	2,715	-	810	225	4,200	

47.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest rates, close to the market interest rates their fair value is not expected to be materially different from the amounts presented in statement of financial position.

The carrying value and fair value of long-term financial liabilities as at 31 December 2019 and 2018 are presented below.

(Unit: Million Baht)

Consolidated and Separate financial statements			
2019		2018	
Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities			
Debentures	4,401	4,460	3,172

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, deposits at banks with restrictions, trade and other receivables, accrued income, short-term investments, bank deposits - pledge as collateral, short-term loans from financial institutions, trade and other payables, and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- b) For equity securities, their fair value is generally derived from quoted market prices.
- c) For unit trusts, their fair value is determined from their net asset value per unit as announced by asset management companies.
- d) For hire purchase receivables and loans to customers, fair value stated net of unearned interest income and allowance for doubtful accounts.
- e) Loan receivable from purchase of accounts receivable, their fair value is estimated by discounting expected future cash inflow by the effective interest rate, net of allowance for doubtful accounts.
- f) For fixed rate debentures, their fair value is estimated by discounting expected future cash outflow by the current market interest rate of the bonds with similar terms and conditions.
- g) For long-term loans with floating interest rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

48. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 1.95:1 (2018: 1.41:1) and the Company's debt-to-equity ratio was 1.74:1 (2018: 1.25:1).

49. Events after the reporting period

On 26 February 2020, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders for approval the payment of a dividend in respect of the operating results in 2019 at Baht 0.58 per share. The Company have paid an interim dividend at Baht 0.25 per share, therefore remaining dividend to be paid of Baht 0.33 per share. The dividend will be paid on 8 May 2020.

50. Reclassification

The Group has reclassified certain accounts as follows:

(Unit: Thousand Baht)				
For the year ended 31 December 2018				
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Services income from debt collection and others	-	288,675	-	281,042
Revenue from collection of purchased accounts receivables	-	1,480,489	-	707,516
Interest income and related income	-	1,224	-	1,224
Revenue from contract with customers	288,675	-	281,042	-
Interest income and dividend income	1,228,380	-	644,282	-
Gain on loans receivable from purchase of accounts receivable	269,559	-	156,087	-
Gain (loss) on investment	(5,490)	(1,781)	-	-
Other income	4,643	17,160	19,236	110,865

The reclassifications had no effect to previously reported profit or shareholders' equity.

51. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2020.